104

WATER AND SEWER SYSTEMS IN THE DISTRICT OF COLUMBIA

Y 4.G 74/7:W 29/5

Water and Sewer Systems in the Dist...

HEARING

BEFORE THE

SUBCOMMITTEE ON THE DISTRICT OF COLUMBIA

OF THE

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

FEBRUARY 23, 1996

Printed for the use of the Committee on Government Reform and Oversight

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CONTENTS

	Page
Hearing held on February 23, 1996	1
Statement of:	
Jacobus, Tom, chief of the Washington Aqueduct, U.S. Army Corps of Engineers	79
King, Larry, director, District of Columbia Department of Public Works, accompanied by Michael C. Rogers, city administrator, District of Columbia	41
McCabe, Michael, Director of region III, U.S. Environmental Protection Agency, accompanied by Alvin R. Morris, Director, Water Management Division; Janet Williams, regional counsel; and David Arent, water specialist	10
Olson, Erik, senior attorney, Natural Resources Defense Council; and Peter Hawley, M.D., medical director, Whitman-Walker Clinic	95
Letters, statements, etc., submitted for the record by:	
Davis, Hon. Thomas M., a Representative in Congress from the State of Virginia:	
Prepared statement of	4
Statements of James Gilmore, Steny Hoyer, Lisa Lovett, Gary Rose, Robert Boone, Dawn Hamilton, Troy Petenbrink, Fred Morin, Frank Smith, and Tilden LeMelle	123
Hawley, Peter, M.D., medical director, Whitman-Walker Clinic, prepared statement of	114
Jacobus, Tom, chief of the Washington Aqueduct, U.S. Army Corps of Engineers:	
Lead and copper rule	92
Prepared statement of	82
King, Larry, director, District of Columbia Department of Public Works, District of Columbia Contract Report	57
McCabe, Michael, Director of region III, U.S. Environmental Protection Agency, prepared statement of	18
Olson, Erik, senior attorney, Natural Resources Defense Council, prepared statement of	99
Rogers, Michael C., city administrator, District of Columbia, prepared statement of	42

WATER AND SEWER SYSTEMS IN THE DISTRICT OF COLUMBIA

FRIDAY, FEBRUARY 23, 1996

HOUSE OF REPRESENTATIVES,
DISTRICT OF COLUMBIA SUBCOMMITTEE,
COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:40 a.m., in room 2154, Rayburn House Office Building, Hon. Thomas M. Davis (chairman of the subcommittee) presiding.

Present: Representatives Davis and Norton.

Staff present: Ron Hamm, staff director; Howard Denis, counsel; Ellen Brown, clerk; Anne Mack, professional staff member; and Cedric Hendricks, minority professional staff.

Mr. DAVIS. Good morning. I wanted to welcome you to this oversight hearing on the water and sewer systems in the District of Columbia.

The safe and efficient operation of each of these systems is of vital importance not only to the residents of the District and those who are employed here but to everyone who lives within the watershed of either the Potomac or the Chesapeake Bay. The environmental concerns associated with the Blue Plains facility are enormous and growing. The safety and future of the Chesapeake Bay, the Potomac River, and other vital wetlands, as well as the safety and health of millions of people are directly affected by these systems.

In addition to the environmental concerns, there is also an undeniable Federal interest in this matter as well. We can't afford to lose sight of the fact that the majority of Federal facilities in the Washington region are served directly by both the water and sewer systems of the District of Columbia. For example, the water in this very building is delivered by the local water system. The Washington aqueduct also provides some suburban jurisdictions with their drinking water. My family and our neighbors all get their water from this treatment facility.

There is a broad community of interests among the residents of the District, the Federal Government, and the suburban jurisdictions. An amicable solution to these problems is possible because we all share the same goal. We all need abundant, clean water at the lowest price, and efficient, environmentally sensitive wastewater treatment. The area residents are not at all concerned with the technical and complex intergovernmental, public-private partnerships that may be necessary to achieve this reasonable goal.

While I want to reiterate at the outset that the proposed new District of Columbia Water and Sewer Authority legislation and the future of the aqueduct are not the subject of today's hearing, I want to make clear that I am only interested in ensuring the best water and sewer service at the lowest rate possible to everyone who depends on these services.

The District's legislation to establish a new water and sewer authority has passed the city council and undergone its review by the authority. In due course it will undergo its congressional review period. But apart from the normal congressional review period, this subcommittee must act to amend the Home Rule Act to give borrowing power to the proposed water and sewer authority. Without borrowing authority, the proposed water and sewer authority would not be able to act.

The future of the aqueduct is not under the jurisdiction of the District of Columbia Subcommittee, it is in the jurisdiction of the Transportation and Infrastructure Committee. In that committee, it is my understanding that they are going to begin addressing this issue in a timely manner. Nothing that we do here today should be construed to be an effort to move beyond the jurisdiction of this subcommittee.

Now, it is my intention to act in each of these matters objectively in the best interests of all the consumers. I don't intend to engage in, or participate in, counterproductive power games. I plan to work together with all of the interested parties to develop and implement the most effective solutions for everyone, and I know that others will act this way as well. These are very serious issues. They involve great sums of money, and the health and safety of our resources and our people are at stake. We can't afford to let either our narrow parochial interests or our egos stand in the way of the best solution we can devise for these problems.

In this country we have worked hard to spend a lot of money to achieve our unmatched record for clean, abundant drinking water at reasonable prices and the best wastewater treatment in the world, but more and more we find that our ability to maintain these standards are being brought into question. In few places around our country is this more true than here in the Washington metropolitan area.

Water discharges from municipal sewage treatment plants are a significant source of water quality concerns throughout the country. The Clean Water Act prescribes the performance levels to be attained by local sewage treatment plants in order to prevent the discharge of harmful quantities of wastewater into surface waters and to prevent contamination of sewage sludge.

Sludge is the major residual of the treatment process. Pollutants in sludge may include nutrients which can stimulate growth of algae that deplete dissolved oxygen in surface water. They may also include bacteria and other pathogens which may impair the water in terms of drinking and recreation. Sadly, this is the potential crisis that we now face in the Washington region.

I want to make a point of the true regional impact of these issues. Although the District of Columbia receives all of its water and sewer services from these systems, others are dependent on them as well. These other users also pay for these services and

have a stakeholder's interest in their efficient operation and management.

The city uses less than 50 percent of the capacity of Blue Plains. Montgomery and Prince Georges Counties in Maryland account for over half of the capacity while Fairfax County uses 7 percent. For the aqueduct, the District uses approximately 75 percent of the water, but that includes all of the Federal facilities served by the system, including the Pentagon and National Airport. Arlington County and the city of Falls Church in Virginia buy the rest of the water. It is easy to see that the whole region is involved, though the jurisdictions are different for each system.

The Blue Plains wastewater treatment plant serves around two-thirds of the residents in the Washington region. The facility opened in 1934 and has expanded over the years as suburban users have increased. Amazingly, it is now the country's largest single wastewater plant. It is long overdue for overhaul and expansion. Serious problems in operation, maintenance, personnel, and procurement practices have been noted over the years and may well have been dealt with inadequately. We will explore these issues today.

I have got further parts of this statement I would like to put into the record at this point. I want to yield to our ranking minority member, Ms. Norton, so she can make her remarks, and then I am going to have to break briefly to go reside on the House floor for a brief session, report back here about 11:10, 11:15.

At this point, I would ask unanimous consent to insert the rest of my statement in the record and recognize the delegate from the District of Columbia.

[The prepared statement of Hon. Thomas M. Davis follows:]

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Congress of the United States
House of Representatives

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OPENING STATEMENT
REPRESENTATIVE TOM DAVIS
CHAIRMAN, DISTRICT OF COLUMBIA SUBCOMMITTEE

FEBRUARY 23, 1996
OVERSIGHT HEARING
WATER AND SEWER SYSTEMS IN THE DISTRICT OF COLUMBIA

Good morning, I want to welcome you to this Oversight Hearing on the water and sewer systems in the District of Columbia. The safe and efficient operation of each of these systems is of vital importance not only to the residents of the District and those who are employed here but to everyone who lives within the watershed of either the Potomac or the Chesapeake Bay. The environmental concerns associated with the Blue Plains facility are enormous and growing. The safety and future of the Chesapeake Bay, the Potomac River and other vital wetlands as well as the safety and health of millions of people are directly affected by these systems.

In addition to the environmental concerns, there is also an undeniable federal interest in this matter as well: We cannot afford to lose sight of the fact that the majority of federal facilities and employees in the Washington Region are served directly by both the water and sewer systems of the District of Columbia. For example, the water in this very building is delivered by the local water system. The Washington Aqueduct also provides some suburban jurisdictions with their drinking water. My family and our neighbors all get their water from this treatment facility.

There is a broad community of interests among the residents of the District, the federal government, and the suburban jurisdictions. An amicable solution to these problems is possible because we all share the same goal: We all need abundant, clean water at the lowest price, and efficient, environmentally sensitive wastewater treatment. The area residents are not at all concerned with the technical and complex inter-governmental and public-private partnerships that may be necessary to achieve this reasonable goal. While I want to reiterate at the outset that the

proposed new District of Columbia Water and Sewer Authority legislation and the future of the Aqueduct are not the subject of today's hearing, I want to make clear that I am only interested in ensuring the best water and sewer service at the lowest rate possible for everyone who depends on these services.

The District's legislation to establish a new Water and Sewer Authority has passed the City council and undergone its review by the Authority. In due course it will undergo its Congressional review period. But, apart from the normal congressional review period, this Subcommittee must act to amend the Home Rule Act to give borrowing power to the proposed Water and Sewer Authority. Without borrowing authority, the proposed Water and Sewer Authority would not be able to act.

The future of the Aqueduct is not under the jurisdiction of the D.C. Subcommittee. It is in the jurisdiction of the Transportation and Infrastructure Committee and that Committee. It is my understanding that they will begin addressing the issue in a timely manner. Nothing that we do here today should be construed to be an effort to move beyond the jurisdiction of this subcommittee.

It is my intention to act in each of these matters objectively and in the best interests of all of the consumers. I do not intend to engage in, or participate in, counter productive power games. I plan to work together with all of the interested parties to develop and implement the most effective solution for everyone. I expect others to act in this way as well. These are very serious issues, they involve great sums of money, and the health and safety of our resources and our people is at stake. We cannot afford to let either our narrow, parochial interests or our egos stand in the way of the best solution we can devise for these problems.

In this country we have worked hard and spent a lot of money to achieve our unmatched record for clean, abundant drinking water at reasonable prices and the best wastewater treatment in the world. But more and more we find that our ability to maintain these standards are being brought into question. In few places around our country is this more true than here in the Washington Metropolitan Area.

Water discharges from municipal sewage treatment plants are a significant source of water quality concerns throughout the country. The Clean Water Act prescribes performance levels to be attained by local sewage treatment plants in order to prevent the discharge of harmful quantities of waste water into surface waters and to prevent contamination of sewage sludge. Sludge is the major residual of the treatment process. Pollutants in sludge may include nutrients which can stimulate growth of algae that deplete dissolved oxygen in surface water. They may also include bacteria and other pathogens which may impair the water in terms of drinking and recreation. Sadly, this is the potential crisis that we now face in the Washington Region.

I want to make a point of the true regional impact of these issues. Although the District of Columbia receives all of its water and sewer services from these systems, others are dependent

on them as well. These other users also pay for these services and have a stakeholder's interest in their efficient operation and management. Washington uses less than 50% of the capacity of Blue Plains. Montgomery and Prince Georges Counties in Maryland account for 50% of the capacity while Fairfax County, Virginia uses 7%. For the Aqueduct, the District uses approximately 75% of the water, but that includes all of the federal facilities served by the system including the Pentagon and National Airport. Arlington County and the City of Falls Church in Virginia buy the rest of the water. It is easy to see that the whole region is involved though the jurisdictions are different for each system.

The Blue Plains Wastewater Treatment Plant serves around two-thirds of the residents in the Washington Region. The facility opened in 1934 and has expanded over the years as suburban users have increased. Amazingly, it is now the country's largest single wastewater plant. It is long overdue for overhaul and expansion. Serious problems in operation, maintenance, personnel, and procurement practices have been noted over the years and may have been dealt with inadequately. We will explore that issue today.

On August 31, 1995 the Environmental Protection Agency issued an Administrative Order requiring the District of Columbia to restore Blue Plains sufficiently to protect the Potomac River and the Chesapeake Bay. The EPA was very candid in warning of sewage possibly flowing into the Potomac, and noted that there had been partial shutdowns due to a lack of chemicals. Also, and this is most important, the EPA ordered the District to restore $80 million to $100 million improperly taken from Blue Plains and placed in the District's General Fund budget. This transfer of money, perhaps more than anything else, has helped to weaken confidence in the District's capacity to run Blue Plains.

On the issue of drinking water, as recently as November, 1995 the EPA was compelled to issue a neighborhood "boil water" alert following the discovery at two schools of coliform and E. coli bacteria which can be fatal to the elderly and those with weakened immune systems. I well recall a similar system-wide alert in December, 1993, when residents in Northern Virginia and the District were ordered to boil water due to concerns about crypto-sporidium possibly being in the water supply derived from the Dalecarlia Aqueduct plant. Delegate Norton was instrumental in having the Corps of Engineers conduct a study because of that emergency, which could prove instrumental in efforts to find a way to update the Washington Aqueduct.

The Washington Aqueduct, at Dalecarlia on MacArthur Boulevard on the border between the District and Montgomery County, dates back to 1905. Along with the McMillan Plant near Howard University, it serves almost a million people in the District and parts of Virginia. These facilities are also unique in the United States in that they are the only public water treatment facilities operated by the Army Corps of Engineers. Both of these plants need significant upgrades.

I want to thank the Ranking Member of this Subcommittee, Del. Eleanor Holmes Norton, for working so closely with me in pursuing these vital issues on a bi-partisan basis. I am grateful

as well to our distinguished witnesses who will shortly address the Subcommittee: Michael McCabe, Director of Region III for the EPA; Larry King, Director of the Department of Public Works for the District of Columbia; Tom Jacobus, Chief of the Washington Aqueduct for the Army Corps of Engineers; Eric Olsen, Director of the Natural Resources Defense Council; and Dr. Peter Hawley, Medical Director of the Whitman-Walker Clinic. These people are the experts we need to hear from in building a base of facts and knowledge. Only when we have that base can we proceed to intelligently deal with these issues.

The current difficulties with the water and sewer systems provide the stakeholders with an opportunity to work together not only to solve the immediate problems but also to forge new bonds of cooperation and mutual trust. Over the past year, much progress has been made in solving the problems of these systems. But, much remains to be done. By working together, we can devise a solution that brings out the best in all the leaders in our region.

Ms. NORTON. Thank you, Mr. Chairman.

The chairman has indicated that he has called this hearing on water and sewer systems located in the District of Columbia for informational purposes. Both systems, the Washington aqueduct and the Blue Plains wastewater treatment and disposal system, are troubled, and oversight is certainly appropriate. However, these are two different systems which have little in common except the need for substantial structural renovation and management reforms and their location wholly within the boundaries of the District.

For me, both raise critical environmental concerns involving clean water, the Potomac and the Anacostia that together have been a working priority for me ever since I came to Congress in 1991.

The aqueduct is owned by the Federal Government and operated by the Army Corps of Engineers. Blue Plains is owned and operated by the District of Columbia. To arrive at workable solutions and to avoid needless conflict, it will be necessary to avoid taking actions that simply lump the two facilities together without accounting for their unique problems, structure, and ownership.

The Washington aqueduct, which supplies 75 percent of the water treated into the District, 16 percent to Arlington County, and 9 percent to the city of Falls Church, is in the jurisdiction of the Water Resources and Environment Subcommittee of the Transportation and Infrastructure Committee. As a member of that subcommittee, I have taken an active interest in the aqueduct ever since the boil water alert of December 19, 1993.

Although we were gratified that this incident turned out to be a false alarm, the 1993 incident raised the level of our concern. I requested an investigation of the incident and a hearing.

Chairman Doug Applegate, who then was chairman of Water Resources, granted my request and the issues were thoroughly explored. The hearing uncovered many problems requiring capital improvements in the old treatment plants, Dalecarlia and McMillan, and in the distribution system.

As a result, Representative Jim Moran, Senator John Warner, and I succeeded in passing a legislative provision requiring the Secretary of the Army to produce a study of options for financing capital improvements and alternative ownership arrangements.

We were particularly concerned that the pay-as-you-go restraints and the requirement of paying the costs of capital improvements up front from customer payments would make the expense involved prohibitive and thus impossible to undertake.

Initially, after consulting with the Army Corps of Engineers, Representative Moran and I worked on a provision that would have allowed the corps to borrow from the Treasury to finance capital improvements with loans paid by the aqueduct's customers. The only reason this remedy was not immediately effective was a dispute over scoring which has since been cleared up. Consequently, Senator John Warner has already succeeded in having such a provision passed in the Senate. It has been scored at zero by CBO, and I have an identical bill pending here in the House.

All of the parties—the District, Arlington County, and the city of Falls Church—have expressed a strong preference for continued Federal ownership of the aqueduct. Accordingly, I have met with

Secretary of the Army Togo West and have informed the White House.

It bears mentioning that in a jurisdiction that is not an affected party in this matter nor a customer of the aqueduct, the Fairfax County Water Authority has indicated a desire to obtain the aqueduct without compensation to the present customers who have invested millions of dollars in capital improvements over many years. The goal of the Fairfax Authority would be to expand its capacity to meet its own growth needs and to perform the services for the three customer jurisdictions now performed by the Corps.

The uniqueness of the Fairfax Authority proposal does not stop there. Fairfax County Water Authority has proposed, apparently with a straight jurisdictional face, that the three customers of the aqueduct not be permitted representation on a board that would have sole authority over their drinking water supply.

In negotiating parlance, this proposal would be described as a nonstarter. More seriously, it violates the standard of bipartisan and regional corporation that at least the chairman and I have established on this subcommittee. I know that both he and I would want the collegiality of the subcommittee to also be reflected in how the jurisdictions resolve this issue. In any case, regional imperialism by one jurisdiction should be rejected by all in the quest for a solution.

A solution to the problems of the Blue Plains wastewater treatment plant is further along. For the record, the sins of the District over a number of years are conceded, and all the affected jurisdictions have every right to be concerned. Consequently, the mayor has signed Council-passed legislation, District of Columbia Act 11–201, establishing the District of Columbia Water and Sewer Authority as an independent agency. The bill addresses the problems of improper diversion of millions of dollars from the Enterprise Fund for other District of Columbia governmental purposes and serious operational deficiencies and personnel problems.

Among the devices the bill uses are complete severance from the District of Columbia personnel and procurement systems and independent budgetary process and determination—I'm almost through—of water rates by the District of Columbia Water and Sewer Authority.

The District of Columbia Financial Authority, after considering the legislation, passed a resolution recommending that the District present it with a plan to repay the funds diverted from the enterprise fund and to maintain complete separation of water and sewer revenues from the general fund. No action involving joint use can be taken by the District alone, and a super majority of seven votes is required for budget issues and for hiring a general manager.

Both the aqueduct and the Blue Plains matter are quintessential regional matters involving the most local of concerns. The appropriate role of this subcommittee in a Congress committed to devolving power to local jurisdictions is to insist that the parties negotiate until they get it right.

No fix is in at the Federal level. Any bill passed in this Congress must get the signature of the President of the United States. If the suburban jurisdictions believe that Chairman Davis can fix it here and if the District believes that I can fix it at the Presidential level,

they are both right. But that is the wrong way to resolve critical regional issues.

The chairman and I have consistently sought bipartisan resolutions to even tougher issues than those before us today. I know that he and I will continue to work together in that spirit, and thereby, to lead by example in the same spirit, I ask all the parties to continue to work together to reach agreement with whatever appropriate assistance this subcommittee can offer.

Thank you, Mr. Chairman.

Mr. DAVIS. Ms. Norton, thank you very much.

I am going to now recess the meeting very briefly while I run over to the House floor. We should reconvene at about 11:15.

[Recess.]

Mr. DAVIS. We will bring the meeting back to order. We are right on time.

For a couple of minutes there, there was just Ms. Norton and myself on the floor. We could have done anything, cut the deal. But we still have some differences that we are going to work out and hear from our individuals testifying today, which I think will shed some light on the seriousness of the problem.

Mr. DAVIS. I want to now introduce and welcome our first witnesses, Mr. Larry King, the director of the District of Columbia—I am sorry, wrong script here. Hon. Michael McCabe, who is the Director of region III of the U.S. Environmental Protection Agency. I would like to thank Mr. McCabe and his colleagues at the EPA for having been so forthcoming.

Mr. McCabe, as you know, it is the policy of this committee that all witnesses be sworn before they testify. Please rise with me and raise your right hand.

[Witness sworn.]

Mr. DAVIS. You can be seated. The subcommittee will carefully review any written statements you care to submit, and we would ask that your oral testimony try to be limited to about 10 minutes or less. We are happy to hear from you.

STATEMENT OF MICHAEL McCABE, DIRECTOR OF REGION III, U.S. ENVIRONMENTAL PROTECTION AGENCY, ACCOMPANIED BY ALVIN R. MORRIS, DIRECTOR, WATER MANAGEMENT DIVISION; JANET WILLIAMS, REGIONAL COUNSEL; AND DAVID ARENT, WATER SPECIALIST

Mr. MCCABE. Mr. Chairman, I hope that I can limit this testimony somewhat, but because of the nature of the issue and the complexity of the issues involved, I am afraid it is going to be a little bit more lengthy than I would have liked. I have tried to cut it down, and I do request that the full testimony be submitted for the record.

Mr. DAVIS. Without objection, so ordered.

Mr. MCCABE. Thank you.

Mr. Chairman, Congresswoman Norton, and the committee itself, my name is Mike McCabe, and I am the regional administrator for the U.S. Environmental Protection Agency, region III. With me is Dr. Alvin R. Morris, who is the Director of Water Management Division in region III. I am also accompanied by Janet Williams, who is our regional counsel, and David Arent, who is one of our water

specialists. These three individuals have forgotten more than I will ever know about these issues, and they are here to answer any question that you might have and address the concerns of the subcommittee.

I want to thank you for giving me this opportunity to appear before the subcommittee this morning. The related issues of the drinking water supply and the wastewater treatment in the District of Columbia are of great importance to us in region III, and I know that they are of equally great importance to the members of this subcommittee, as was expressed in your opening statements.

For the purposes of today's hearing, I would like to offer a few comments as an overview on both of these issues. Then I would like to take a few minutes to discuss in more detail the background and recent history of the Washington aqueduct and the drinking water supply as well as the Blue Plains wastewater treatment plant.

In several respects, the problems facing the drinking water supply are very different from those on the wastewater treatment side. Congresswoman Norton mentioned the unique differences between the two.

The Washington aqueduct is in need of major modernization to meet future drinking water requirements. The drinking water treatment operation consists of a number of facilities designed to withdraw raw water from the Potomac River, adequately treat this water, and deliver potable water to the aqueduct's customers: the District of Columbia, Arlington County, VA, and the city of Falls Church, VA.

The aqueduct is run by the Washington aqueduct division of the U.S. Army Corps of Engineers, which is responsible for collecting and treating the raw water from the Potomac and some storage of treated water. The District owns and operates some storage reservoirs and is responsible for distributing this drinking water to its retail customers.

In contrast, the Blue Plains facility has had major and ongoing upgrades over the years. For example, an important and innovative biological nutrient removal pilot project is currently under construction at the plant. The facility is located in the District of Columbia and is operated by the city's Department of Public Works' Water and Sewer Utility Administration, or WASUA. Its customer base is diverse. Just under half of the plant's allocated capacity is reserved for users in Montgomery and Prince Georges Counties, MD. The District of Columbia uses a little over 40 percent of the facility's capacity, while the remaining 7 percent is allocated for Fairfax County, Loudoun County, the town of Vienna, and Dulles International Airport, all in Virginia, as well as the Pentagon, and the National Park Service.

The contrasts, then, are fairly dramatic. On the one hand, you have a complex drinking water infrastructure that is old and run by a Federal entity, with its customer base concentrated in the city. On the other hand, you have a single wastewater facility that has been periodically modernized, located in and operated by the District, and with a user base slightly skewed toward the Maryland suburbs.

In spite of these differences, however, there are some very important similarities, similarities that are both striking and disturbing:

Both the wastewater and drinking water systems have seen recent and serious violations. Both have been issued administrative orders. One is a proposed administrative order by region III, because of problems with their operations. Both present potential threats to the health and safety of their customers. And both are being severely hampered by some serious financial problems.

I want to stress from the beginning that we at EPA view these problems as very serious and we are taking actions in accordance with that level of concern. Comprehensive monitoring systems are in place, and we are devoting extraordinary resources to make sure that the systems remain operational.

Let me take a few minutes to discuss the history of these operations and to highlight some of the critical problems we are facing on both of these issues.

The Washington aqueduct of the U.S. Army Corps of Engineers runs a number of facilities designed to withdraw raw water from the Potomac River, adequately treat this water in accordance with the national primary drinking water regulations, and to deliver potable water to the aqueduct's customers. I have listed these facilities for the record.

The Washington aqueduct is a wholesale public water system. All of the water produced is sold to three wholesale customers: The District of Columbia, Arlington County, and the city of Falls Church. The aqueduct establishes its wholesale water rates with each of these customers.

We have got a pie chart here to help explain that a little bit further.

The District meters the water distributed to Arlington and Falls Church. Arlington and Falls Church pay for this water by payment to the water and sewer enterprise fund. The District receives payment for water distributed to its retail customers and deposits these payments to the fund. At 2-week intervals, the District is supposed to transfer moneys from the fund to the Corps of Engineers.

The drinking water infrastructure and its supervision is a somewhat complicated one. Over the years, the roles and relationships have changed, but today we have the following arrangement:

The Corps of Engineers is responsible for the ownership and operation of the Washington aqueduct. The corps collects and treats raw water and stores potable water in several reservoirs. This is the only drinking water system in the Nation currently operated by the Army Corps of Engineers. As a service to the District, the corps conducts all water sampling, except in connection with the lead and copper regulations, required by the Safe Drinking Water Act, and analyzes the samples in an EPA-certified laboratory facility owned and operated by the corps.

The District's Department of Public Works is responsible for the storage of potable water in its reservoirs and for the distribution of this water to its retail customers.

EPA region III is responsible for the direct implementation of the public water system supervision program in the District. This system is designed to regulate and ensure the safety of drinking water. The Arlington and Falls Church drinking water distribution systems are regulated by the Commonwealth of Virginia.

This operational dichotomy is an important one. Any problems with the raw water intakes on the Potomac or at the Dalecarlia complex are the responsibility of the corps, and any problems at these points could potentially affect all aqueduct customers. Problems at the District-owned reservoirs, pumping stations, or distribution lines are the city's responsibility. Because the city's operational functions are varied, problems could affect much of the system or be limited perhaps to a single drinking line. As I will note in a moment, all of these problems have arisen in recent years, and depending on the nature of the problem, we have turned to the Corps of Engineers or to the city to seek remedies.

Withdrawing millions of gallons of water from the Potomac, treating it and distributing it to 1 million customers is a major operation. I have already noted that the drinking water program is not delegated to the city and EPA region III is directly responsible for overseeing the aqueduct's operations under the Safe Drinking Water Act. EPA is also responsible for issuing and enforcing the Clean Water Act discharge permit necessary to operate this facility.

Think of this NPDES permit, as it is called, as you would think of any permit written for a factory or a similar industry. Under current operating procedures, treatment residuals from the Dalecarlia water treatment plant are discharged into the Potomac during high water-flow periods. We do not think that this is a good idea for the Potomac River and the Chesapeake Bay. It doesn't create a healthy environment. Nor is it good for the safe operation of the drinking water treatment system. So in the new NPDES permit that we have drafted, we are proposing the Corps of Engineers implement an alternative.

Drinking-water standards include both biological and nonbiological contaminants ranging from bacteria to heavy metals. Drinking-water system operators must look for specific contaminants, and standards are established based on human health considerations, as well as technology. Testing programs are designed to capture both acute problems, as well as chronic ones. That means that if a specific contaminant that causes an immediate health threat is found, the facility would register an acute violation.

We also establish standards to control chronic, low-level contaminants that could cause problems over time.

The EPA also requires drinking water operators to adhere to certain treatment techniques to ensure that the safety of the drinking water is consistently maintained. Let me use a specific example of how this system works.

We have established a maximum contaminant level for total coliform bacteria. As a service to the city, the corps collects at least 210 samples per month for total coliform bacteria at sampling sites which are representative of water throughout the distribution system. If more than 5 percent of the samples collected during a month are total coliform-positive, the public water system is in monthly violation for the maximum contaminant level of total coliforms.

When a routine sample is analyzed as being total coliform-positive, the Corps must collect at least three repeat samples within 24 hours of being notified of the positive result, as well as analyze the

original sample for the *E. Coli* or fecal coliform. One of the three repeat samples must be taken at the tap where the positive sample was found and the other two must be taken upstream and downstream of the original sample. If any of these repeat samples are positive or the original sample tested positive for fecal coliform or *E. Coli,* this constitutes an acute violation for the MCL for the total coliform rule.

Let me now turn to some of the specific problems that we have encountered over the last years with the drinking water system. This is a chronology of violations and enforcement actions for the Washington aqueduct division, Army Corps of Engineers, and then for the District of Columbia.

In 1988, the aqueduct registered a chronic or monthly monitoring violation of the volatile organic chemicals rule; a public notice was issued by region III. In July 1993, they recorded a monthly maximum contaminant level violation of the surface water treatment rule at McMillan water treatment plant.

On October 29, 1993, we recorded an acute MCL violation of the total coliform rule affecting one section of the Dalecarlia water treatment plant.

On December 7, 1993, we recorded another monthly maximum contaminant level, a violation of the surface water treatment rule, and a system-wide boil-water notice was issued as required by region III. That was for, again, the Washington aqueduct.

For the District of Columbia, on September—in September 1993, we recorded an acute MCL violation of the TCR and a limited boil-water notice was issued by region III.

In September 1993, we recorded a monthly MCL violation of the TCR, and an emergency administrative order was issued by EPA on September 29, 1993.

For June 1995, we recorded an acute MCL violation of the TCR. No boil-water notice was issued, but EPA did require a sanitary survey, which is an onsite review of the water source, facilities, equipment, operation and maintenance of the system. The subsequent sanitary survey was completed by June 30 and recommended corrosion control, a flushing program, storage facilities, distribution system, maintenance, a sampling plan, and system management.

In October 1995, we recorded a monthly MCL violation for the TCR. Again, this is the District. Acute MCL violations of the TCR for November 1995 were recorded in one neighborhood in southeast Washington and a separate MCL violation at the Soldiers and Airmen's Home in northeast Washington. A limited boil-water notice was listed for southeast Washington. No boil-water notice was given to the Soldier's Home. A proposed administrative order was issued from region III on the same day.

It is important to note that during this period there have been no drinking water problems confined to the aqueduct's customers in Virginia, as there have been in the District of Columbia. The District's relatively older, less aggressively maintained distribution system is probably to blame for the difference.

Many of the issues of noncompliance for both the Army Corps of Engineers and for the District of Columbia are related to inadequate financial support. The aqueduct is in serious need of major capital improvements, but the corps lacks the borrowing/bonding

authority typically associated with a public drinking-water system. All construction costs, indeed all costs, must be paid on a pay-as-you-go basis. The Secretary of the Army has recommended that ownership and operation of the Washington aqueduct be transferred to a non-Federal public entity which has the ability to raise the necessary capital.

The District has similar constraints. Although it can borrow money, the city's bond ratings are so low that the cost of such borrowing is probative at a time when the District can least afford to incur additional costs.

Similarly, the city has extraordinary costs associated with modernizing its distribution system, removing very old cast iron piping, removing biofilm from distribution lines, modernizing its underground reservoir and so on.

Let me now turn to the wastewater facilities located at Blue Plains. This facility has been in operation since 1934, and presently—its most recent expansion was in 1972 and completed in stages by 1983. Presently, the plant has an average daily design capacity of 309 million gallons per day and a peak design capacity of 650 million gallons a day, plus primary treatment capacity for an additional 289 million gallons per day storm flow.

EPA funding for this facility began in 1973. In 1984, a Blue Plains feasibility study evaluated various alternatives for meeting the waste water treatment needs of the service area through the year 2010. The most cost-effective and environmentally sound alternative was determined to be an upgrade and expansion of Blue Plains to 370 MGD and a peak flow of 740 MGD. This upgrade and expansion is currently underway. The collection system consists of approximately 1,275 miles of sewers, nine wastewater pump stations and 15 stormwater pump stations.

Since 1973, EPA has awarded the District of Columbia over $360 million in construction grants for Blue Plains. In addition, the EPA has awarded the Maryland and Virginia jurisdictions an additional $287 million to support Blue Plains construction. The total Federal construction grant, then, is approximately $600 million. In my written testimony, it says $500, and it is really actually closer to $600 million.

The plant serves about 2 million people. The interim allocation of the plant's 309 MGD capacity, based on the Blue Plains intermunicipal agreement, is as follows, and it is reflected in the pie chart that has just been put up.

Washington Suburban Sanitary Commission, which serves Montgomery and Prince Georges Counties in Maryland, is allocated just over 150 million gallons a day; the District of Columbia is allocated 132 million gallons a day; Fairfax County's share, 19 million gallons a day; Loudoun County Sanitary Authority, 3 million; town of Vienna, just under 1 million.

Dulles International Airport is allocated 400,000 gallons a day; the Department of Navy, 85,000 gallons a day; and the National Park Service, 11,000 gallons a day.

The wastewater infrastructure and its supervision is a little less complicated than the drinking water side. Because the Blue Plains plant is located within the District, region III, EPA has primary oversight responsibility for its operation. WASUA, the District's

Department of Public Works' utility, is responsible for the day-to-day operation of the sewer system and the operation of the Blue Plains facility.

Region III has a long and sometimes difficult, unpleasant and frustrating history in our oversight roles—role with Blue Plains. In the 1970's, there were a number of problems with the plant staying within its permit levels, and we also had an ongoing dispute over the proper handling of sludge. Because we were unable to arrive at a mutually acceptable solution to these problems, the EPA filed suit in 1984 against the city for numerous alleged problems with the operation of the facility.

A formal consent decree was entered into in 1985 as a result of this first suit. It called for the District to take steps to put an end to permit violations and stipulated considerable penalties if the District did not comply. The consent decree was for 5 years.

Periodically, throughout the period, consent decree violations continued and a considerable amount of stipulated penalties were owed. In 1990, we filed a second lawsuit for effluent violations, unauthorized bypasses, construction delays, and inadequate maintenance of the treatment equipment. It sought an end to violations, payment of the stipulated penalties owed from the prior lawsuit, and an up-front penalty for violations since 1989. In 1991, an agreement was reached on $1.5 million penalty to settle both cases and a decree to be negotiated.

It was not until late 1994 that we were finally able to reach an agreement with the city on the terms of the consent decree settling the litigation. The decree was filed with the court in January 1995 and officially entered by the court in June. The consent decree required the city to pay a civil penalty of $500,000 and to pay an additional $1 million toward the removal—toward the cost of the second component of the decree, the biological nitrogen removal project. The decree also required the city to develop and operate a BNR process on a 12-month trial basis, designed to test the feasibility of adopting this technology on a permanent full-plant basis. In addition, the city agreed to undertake a periodic operational capability review designed to evaluate whether the plant's actual performance meets specified operational standards.

Mr. DAVIS. Mr. McCabe, we have been reading ahead of you. I wonder if you could sum this up so we can get right to the questions. It's a very good and thorough statement. Ms. Norton and I both read it, and we read faster than you are speaking.

Mr. MCCABE. I will then summarize, if I may.

Mr. DAVIS. Without objection, the whole comments are in the record.

Mr. MCCABE. That's fine. If I could just go through the summary then.

In conclusion, the drinking water and wastewater systems in the region need attention. The problems are long-standing and any solutions that have been tried have not succeeded in bringing either the drinking water or wastewater treatment systems into long-term compliance. EPA region III is working overtime to stay on top of these problems, and we have utilized virtually every avenue available to us, including technical assistance, administrative orders, court-filed consent orders, unannounced inspections and au-

dits, substantial fines and jaw-boning. But we have been unable to bring about the kind of systematic improvements that are needed to ensure long-term protection of human health and the environment.

This situation is not sustainable over time. While I cannot comment specifically at this time, I can say generally that EPA and the Department of Justice are currently working with the city in an attempt to resolve, at least, the more short-term, immediate problems that plague the Blue Plains facility.

We recognize that the subcommittee today will not be looking at specific legislative solutions to the problems we have outlined. However, I would respectfully suggest that Congress give serious consideration to new financing systems for both the water and wastewater treatment systems, including the establishment of separate accounts for the collection and disbursement of grant payments and revenues for operation and maintenance.

In addition, some form of regional water and sewer authority that represents the interests of all jurisdictions served by these facilities is crucial so that the systems can make the major capital improvements that are critical to the health and safety of the people living in this region and protection of the local environment.

Again, I want to thank you again for your patience this morning. I know that it was a lengthy presentation, and we would be glad to answer any questions.

[The prepared statement of Mr. McCabe follows:]

TESTIMONY OF
W. MICHAEL McCABE
REGIONAL ADMINISTRATOR
U.S. ENVIRONMENTAL PROTECTION AGENCY, REGION 3
BEFORE THE
SUBCOMMITTEE ON THE DISTRICT OF COLUMBIA
OF THE
COMMITTEE ON GOVERNMENT REFORM & OVERSIGHT
U.S. HOUSE OF REPRESENTATIVES

February 23, 1996

Mr. Chairman, Congresswoman Norton, and Members of the Committee, my name is W. Michael McCabe and I am the Regional Administrator for the United States Environmental Protection Agency (EPA), Region 3 With me is Dr. Alvin R. Morris who is the Director of the Water Management Division in Region 3.

I want to thank you for giving me the opportunity to appear before the Subcommittee this morning. The related issues of the drinking water supply and the waste water treatment in the District of Columbia are of great importance to us in Region 3, and I know that they are of equally great importance to the Members of this Subcommittee.

For the purposes of today's hearing, I would like to offer a few comments as an overview on both of these issues. Then I would like to like to take a few minutes to discuss in more detail the background and recent history of the Washington Aqueduct and the drinking water supply as well as the Blue Plains Wastewater Treatment Plant.

OVERVIEW

In several respects the problems facing the drinking water supply are very different from those on the waste water treatment side.

The **Washington Aqueduct** is in need of major modernization to meet future drinking water requirements. The drinking water treatment operation consists of a number of facilities designed to withdraw raw water from the Potomac River, adequately treat this water, and deliver potable water to the Aqueduct's customers: the District of Columbia (where almost all of the water-users reside); Arlington County, Virginia; and, the City of Falls Church, Virginia. The "Aqueduct" is run by the Washington Aqueduct Division of the U.S. Army Corps of Engineers which is responsible for collecting and treating the raw water from the Potomac and some storage of treated water. The District owns and operates some storage reservoirs and is responsible for distributing this drinking water to its retail customers in the District and to the Aqueduct's wholesale customers in Virginia. A significant majority of the customer base is comprised of District users.

In contrast, the **Blue Plains facility** has had major and on-going up-grades over the years. For example, an important and innovative Biological Nutrient Removal (BNR) pilot project is currently under construction at the plant. The facility is located in the District of Columbia and is operated by the City's Department of Public Works' Water and Sewer Utility Administration, or WASUA. Its customer base is diverse: just under half of the plant's allocated capacity is reserved for users in Montgomery and Prince Georges County, Maryland. The District of Columbia uses a little over 40% of the facility's capacity; while the remaining 7% is allocated for Fairfax County, Loudoun County, the Town of Vienna and

Dulles International Airport, all in Virginia, as well as the Pentagon and the National Park Service.

The contrasts, then, are fairly dramatic. On the one hand you have a complex drinking water infrastructure that is old and run by a federal entity, with its customer base concentrated in the City. On the other hand you have a single wastewater facility that has been periodically modernized, located in and operated by the District, and with a user base slightly skewed toward the Maryland suburbs.

In spite of these differences, however, there are some very important similarities, similarities that are both striking and disturbing:

- Both the waste water and drinking water systems have seen recent and serious violations,
- both have been issued Administrative Orders (one is a Proposed Administrative Order) by Region 3 because of problems with their operations,
- both present potential threats to the health and safety of their customers, and
- both are being severely hampered by serious financial problems.

I want to stress from the beginning that we at the EPA view these problems as very serious, and we are taking actions in accordance with that level of concern. Comprehensive monitoring systems are in place, and we are devoting extraordinary resources to make sure that the systems remain operational.

Let me take a few minutes to discuss the history of these operations and to highlight some of the critical problems we are facing with both of these issues.

THE WASHINGTON AQUEDUCT

HISTORY

The Washington Aqueduct Division of the U.S. Army Corps of Engineers runs a number of facilities designed to withdraw raw water from the Potomac River, adequately treat this water in accordance with the National Primary Drinking Water Regulations, and to deliver potable water to the Aqueduct's customers. These facilities are:

- Great Falls Dam and Intake on the Potomac at Great Falls, Maryland.
- Little Falls Dam and Intake Pumping Station at Little Falls, Maryland.
- Dalecarlia Raw Water Reservoir and Water Treatment Plant, which straddles the Washington, DC, Montgomery County, Maryland, border.
- Georgetown Reservoir in Washington, DC.
- McMillan Water Treatment Plant in Washington, DC.

Construction of the Washington Aqueduct began in 1853. The original facility consisted of the Great Falls Dam and Intake, the Dalecarlia Raw Water Reservoir, and the Georgetown Reservoir. No treatment was provided other than the settling of solids while the water was stored in the reservoirs. Over the next century, the Aqueduct was expanded and improved:

- A cross-town tunnel was constructed to transfer raw water from the Georgetown Reservoir to the McMillan slow-sand filter plant constructed in 1905.
- In 1916, Congress created the District of Columbia Water and Sewer Enterprise Fund to collect water rates and charges and disburse water revenues to operate both the Aqueduct and the District's water distribution system. This fund also serves the District's sewer system.
- In 1927, Arlington County began to use Aqueduct water.
- In 1928, the Dalecarlia rapid-sand filter plant began operations

- In 1959, a second intake for the Aqueduct system was constructed at Little Falls.
- In the early 1960s, the Dalecarlia Water Treatment Plant was expanded.
- In 1961, Falls Church became a customer.
- In 1985, the original slow-sand filter facilities at the McMillan Plant were replaced by a modern rapid-sand filtration facility.

CUSTOMERS OF THE WASHINGTON AQUEDUCT

The Washington Aqueduct is a wholesale public water system. All of the water produced is sold to its three wholesale customers: the District of Columbia, Arlington County, and the City of Falls Church. The Aqueduct has no retail customers.

The Aqueduct establishes its wholesale water rates with each of the customers. The District meters the water distributed to Arlington and Falls Church. Arlington and Falls Church pay for this water by payment to the Water and Sewer Enterprise Fund. The District receives payment for water distributed to its retail customers and deposits these payments to the Fund. At two-week intervals, the District transfers monies from the Fund to the Corps.

ROLES OF THE CORPS OF ENGINEERS, THE DISTRICT, AND EPA

The drinking water infrastructure and its supervision is a somewhat complicated one. Over the years the roles and relationships have changed, but today we have the following arrangement:

- The Corps of Engineers is responsible for the ownership and operation of the Washington Aqueduct. The Corps collects and treats raw water, and stores potable water in several reservoirs, some of which are owned and operated by the Corps, and the remainder are owned and operated by the District. This is the only drinking

water system in the nation currently operated by the Corps. As a service to the District, the Corps conducts all water sampling, except in connection with the lead and copper regulations, required by the SDWA, and analyzes the samples in an EPA-certified laboratory facility owned and operated by the Corps

- The District's Department of Public Works is responsible for the storage of potable water in its reservoirs and for the distribution of this water to its retail customers.

- EPA Region 3 is responsible for the direct implementation of the Public Water System Supervision Program in the District. The Arlington and Falls Church drinking water distribution systems are regulated by the Commonwealth of Virginia.

This operational dichotomy is important to note. Any problems with the raw water intakes on the Potomac or at the Dalecarlia complex are the responsibility of the Corps, and any problems at these points could potentially affect all Aqueduct customers. Problems at the District-owned reservoirs, pumping stations or distribution lines are the City's responsibility. Because the City's operational functions are varied, problems could affect much of the system or be limited, perhaps to a single distribution line. As I will note in a moment, all of these problems have arisen in recent years and, depending on the nature of the problem, we have turned to the Corps of Engineers or to the City to seek remedies.

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) PERMIT

Withdrawing millions of gallons of water from the Potomac, treating it, and distributing it to one million customers is a major operation. I have already noted that the drinking water program is not delegated, and EPA Region 3 is directly responsible for overseeing the Aqueduct's operations under the Safe Drinking Water Act. EPA is also responsible for issuing and enforcing the Clean Water Act discharge permit necessary to operate this facility. Think of this NPDES permit as you would think of any written for a factory or similar industrial facility. Under current operating procedures, treatment residuals

from the Dalecarlia Water Treatment Plant are discharged into the Potomac during high water flow periods. We do not think that is a good idea for the Potomac River and the Chesapeake Bay, nor is it good for the safe operation of the drinking water treatment system, so in the new NPDES permit that we have drafted, we are proposing that the Corps implement an alternative.

DRINKING WATER STANDARDS

Drinking water standards include both biological and non-biological contaminants ranging from bacteria to heavy metals. Drinking water system operators must look for specific contaminants, and standards are established based on human health considerations as well as technology. Testing programs are designed to capture both acute problems as well as chronic ones. That means that if a specific contaminant that causes an immediate health threat is found, the facility would register an acute violation. We also establish standards to control chronic, low level contaminants that could cause problems over time. The EPA also requires drinking water operators to adhere to certain treatment techniques to ensure that the safety of the drinking water is consistently maintained.

Let me use a specific example to illustrate how the system works.

- We have established a maximum contaminant level (MCL) for total coliform bacteria. As a service to the City, the Corps collects at least 210 samples per month for total coliform bacteria at sampling sites which are representative of water throughout the distribution system. If more than 5% of the samples collected during a month are total coliform-positive, the public water system is in **monthly violation** for the MCL for total coliforms.

- When a routine sample is analyzed as being total coliform positive, the Corps must collect at least three repeat samples within 24 hours of being notified of the positive

result, as well as analyze the original sample for *E.Coli* or fecal coliform. One of the three repeat samples must be taken at the tap where the positive sample was found, and the other two must be taken upstream and downstream of the original sample

- If any of these repeat samples are positive, and the original sample tested positive for fecal coliform or *E.Coli*, this constitutes an **acute violation** of the MCL for the Total Coliform Rule (TCR).

Let me now turn to some of the specific problems that we have encountered over the last several years with the drinking water system.

CHRONOLOGY OF VIOLATIONS AND ENFORCEMENT ACTIONS

Washington Aqueduct Division, Army Corps of Engineers:

- In 1988 registered a chronic, or monthly monitoring violation of the Volatile Organic Chemicals (VOC) Rule; a public notice was issued by Region 3.
- Recorded a Monthly maximum contaminant level (MCL) violation of the Surface Water Treatment Rule (SWTR) at the McMillan Water Treatment Plant (WTP) for July 1993.
- Recorded an Acute MCL violation of the TCR on October 29, 1993 affecting one section of the Dalecarlia WTP only.
- Recorded another Monthly maximum contaminant level (MCL) violation of the Surface Water Treatment Rule (SWTR) on December 7, 1993; A system-wide boil water notice was issued as required by Region 3.

District of Columbia:

- Recorded an Acute MCL violation of the TCR for September 1993. A limited boil water notice was issued by Region 3, EPA.
- Recorded a Monthly MCL violation of the TCR for September 1993; an emergency Administrative Order (AO) was issued by EPA on September 29, 1993.
- Recorded an Acute MCL violation of the TCR for June 1995; No boil water notice was issued, but EPA did require a Sanitary Survey, which is an on-site review of the water source, facilities, equipment, operation and maintenance of the system. The subsequent Sanitary Survey was completed by June 30

and recommended corrosion control, a flushing program, storage facilities, distribution system maintenance, a sampling plan, and system management.

- Recorded a Monthly MCL violation of the TCR for October 1995;
- Acute MCL violations of the TCR for November 1995 in one neighborhood in South East Washington and a separate MCL violation at the Soldiers' and Airmen's Home in North East Washington. A limited boil water notice was issued for SE; no boil water notice was issued to Soldiers' Home. A Proposed AO was issued from Region 3 on the same day.

It is important to note that during this period there have been no drinking water problems confined to the Aqueduct's customers in Virginia as there have been in the District of Columbia The District's relatively older, less aggressively maintained distribution system is probably to blame for this difference.

FINANCES

Many of the issues of non-compliance for both the Army Corps of Engineers and for the District of Columbia are related to inadequate financial support. The Aqueduct is in serious need of major capital improvements, but the Corps lacks the borrowing/ bonding authority typically associated with a public drinking water system. All construction costs, indeed all costs, must be paid for on a pay-as-you-go basis. The Secretary of the Army has recommended that the ownership and operation of the Washington Aqueduct be transferred to a non-federal public entity which has the ability to raise the necessary capital.

The District has similar constraints. Although it can borrow money, the City's bond ratings are so low that the cost of such borrowing is prohibitive at a time when the District can least afford to incur additional costs.

Similarly, the City has extraordinary costs associated with modernizing its distribution system, removing very old cast iron piping, removing biofilm from distribution lines, modernizing its underground reservoir system and so on.

BLUE PLAINS WASTEWATER TREATMENT PLANT

Let me turn, now, to the waste water facilities.

HISTORY OF THE PLANT

In 1934, the first wastewater treatment facilities were constructed at the present site of the Blue Plains Wastewater Treatment Plant (WWTP) along the Potomac River in South East Washington just below Bolling Air Force Base. The original facilities treated 130 mgd with a service population of over 650,000 and provided primary treatment only. Subsequently, there have been several expansions and upgrades. In 1949 Blue Plains was expanded and chlorination was added. Secondary (biological) treatment was added, and the plant was expanded again in 1959. The most recent expansion and upgrade was initiated in 1972 and completed in stages by 1983. Presently, the plant has an average daily design capacity of 309 mgd, a peak design capacity of 650 mgd, plus primary treatment capacity for an additional 289 mgd of storm flow. EPA funding began in 1973.

A 1984 Blue Plains Feasibility Study evaluated various alternatives for meeting the wastewater treatment needs of the service area through the year 2010. The most cost-effective and environmentally sound alternative was determined to be an upgrade and expansion of Blue Plains to 370 mgd with a peak flow of 740 mgd. This upgrade and expansion is currently underway. Improvements to process peak flow requirements are

approaching completion, and water quality improvements are currently expected to be completed by approximately July 1998. After the planned expansion of Blue Plains to 370 mgd, assuming District compliance with capacity limitation provisions contained in the Blue Plains Intermunicipal Agreement of 1985, the plant should have adequate capacity to handle projected service area flows through the year 2010.

The collection system consists of approximately 1,275 miles of sewers, 9 wastewater pump stations, and 15 storm water pump stations.

EPA CONSTRUCTION GRANTS

Since 1973 the EPA has awarded the District of Columbia over $360 million in construction grants for Blue Plains. In addition, the EPA has awarded the Maryland and Virginia jurisdictions an additional $187 million to support Blue Plains construction. The total federal construction grants in the plant, then, is approximately $550 million.

CUSTOMERS

The plant serves about 2,000,000 people. The interim allocation of the plant's 309 mgd capacity, based on the Blue Plains Intermunicipal Agreement is as follows:

- The Washington Suburban Sanitary Commission (WSSC), which serves Montgomery and Prince Georges counties in Maryland, is allocated just over 150 million gallons a day;
- The District of Columbia is allocated 132 million gallons a day;
- Fairfax County's share is 19 mgd;
- Loudoun County Sanitation Authority: 3 mgd;
- Town of Vienna: just under 1 mgd;

- Dulles International Airport is allotted 400,000 gallons a day;
- Department of the Navy: 85,000 gd;
- National Park Service: 11,000 gd.

ROLES OF EPA, SUBURBAN USERS, AND THE DISTRICT

The waste water infrastructure and its supervision is a little less complicated than the drinking water side.

- Because the Blue Plains plant is located inside the District, Region 3 EPA has primary oversight responsibility for its operation.
- WASUA, the District's Department of Public Works' utility, is responsible for the day-to-day operation of the sewer system and operation of the Blue Plains facility.

CHRONOLOGY OF VIOLATIONS AND ENFORCEMENT ACTIONS

Region 3 has had a long and sometimes difficult, unpleasant and frustrating history in our oversight role with Blue Plains.

- In the 1970's there were a number of problems with the plant staying within its permit levels, and we also had an on-going dispute over the proper handling of sludge. Because we were unable to arrive at a mutually-acceptable solution to these problems, the EPA filed suit in 1984 against the City for numerous alleged problems with the operation of the facility.
- A formal Consent Decree was entered in 1985 as a result of this first suit. It called for the District to take steps to put an end to permit violations and stipulated considerable penalties if the District did not comply. The consent Decree was for five years.
- Periodically throughout the period of the Consent Decree violations continued, and a considerable amount of stipulated penalties were owed.
- In 1990 we filed a second lawsuit for effluent violations, unauthorized bypasses, construction delays and inadequate maintenance of treatment equipment. It sought

an end to violations, payment of the stipulated penalties owed from the prior lawsuit, and an up-front penalty for violations since 1989.

- In 1991 an agreement was reached on $1.5 million penalty to settle both cases with decree to be negotiated.

- It was not until late 1994 that we finally were able to reach an agreement with the City on the terms of the Consent Decree settling the litigation. The Decree was filed with the Court in January, 1995, and officially entered by the Court in June. The Consent Decree required the City to pay a civil penalty of $500,000 and to pay an additional $1 million toward the cost of the second component of the decree, the Biological Nitrogen Removal (BNR) project. The Decree also required the City to develop and operate a BNR process on a 12-month trial basis designed to test the feasibility of adopting this technology on a permanent, full-plant basis. In addition, the City agreed to undertake a periodic "Operational Capability Review" designed to evaluate whether the plant's actual performance meets specified operational standards. To date, the City has paid the $500,000 penalty, has completed the first quarter of its "Operational Capability Review," and is, to our knowledge, on schedule with the planned start-up of the BNR project for April of this year.

- Because of continuing concerns about the operation of the plant, EPA's National Enforcement Investigations Center (NEIC) and Region 3 staff conducted an investigation into Blue Plains during the week of April 24, 1995. We received excellent cooperation from the staff there while we focused on both administration and the operation/maintenance of the facility. The subsequent report, which was issued last July, found that there were very serious problems continuing at the plant, stemming chiefly from the District's financial difficulties. The report detailed shortages of necessary treatment chemicals, parts shortages, contractor walkouts because of lack of payment, and some pre-existing and chronic problems relating to staff shortages and slow procurement processes. The NEIC report noted that over $80 million deposited into the City's water and sewer Enterprise Fund was not available for use at the plant because the funds had been diverted to other City functions.

- On August 31, 1995, Region 3 issued an Administrative Order to the District of Columbia's Public Works Department, to correct maintenance and operational problems at the plant. The City was given 30 days to develop a six-month plan to address the most immediate problems and 60 days to develop a long-term strategy to restore long-term funding. After being given a short extension, the City responded in mid-October.

- On November 15-17, 1995, Region 3 conducted another joint inspection of Blue Plains with the NEIC. The objectives were to follow-up the April inspection and determine if there were critical financial and/or operation and maintenance issues needing immediate attention by EPA. The report, which was not completed until last

month because of the government shut-down, basically reiterates the problems detailed last Spring and again points to financing as a key obstacle to solving the problems at the facility. As of November 1, 1995, the Water and Sewer Enterprise Fund carried a paper balance of just over $96 million, but those funds, in actuality, were not available to WASUA. In addition, the report found that the capital improvement budget for Blue Plains would be $20 million short for FY '96.

BIOLOGICAL NUTRIENT REMOVAL PILOT PROJECT

Before I conclude, I would like to take just one more minute to focus on the importance of the BNR pilot project to nutrient reduction in the Bay.

The Blue Plains Nitrogen Removal Pilot will provide nitrogen removal for about 180 million gallons per day of the Blue Plains effluent (½ of the total plant flow). This will result in a nitrogen loading reduction of 3.3 million pounds per year. This reduction represents:

- a 22% reduction in the Blue Plain nitrogen discharge levels. This is a very large reduction.
- Approximately the same reduction would be obtained by applying BNR to all other major municipal discharges in the Potomac Basin in Maryland or Virginia.

The pilot project's total cost is estimated to be $22,200,000, which includes about $16 million for operating the demonstration phase. EPA construction grant participation equals $5,220,00. Maryland's grant equals $5,100,000. The Fairfax County share of about $1,200,000 is not yet funded, but construction is underway nevertheless.

Region 3 places a high priority on this project, and we hope that if the Congress decides to take some action on the Blue Plains facility in the coming months, that you take special care to assure the continuation of this vital project. We believe it is a most promising technology and the potential value to the health of the Potomac River and the Chesapeake Bay is considerable.

SUMMARY

In conclusion, the drinking water and waste water systems in the region need attention. The problems are long-standing, and any solutions that have been tried have not succeeded in bringing either the drinking water or waste water treatment systems into long-term compliance. EPA Region 3 is working overtime to stay on top of these problems, and we have utilized virtually every avenue available to us, including technical assistance, administrative orders, court-filed consent orders, unannounced inspections and audits, substantial fines, and jaw-boning, but we have been unable to bring about the kind of systemic improvements that are needed to ensure long-term protection of human health and the environment. This situation is not sustainable over time. While I can not comment specifically at this time, I can say generally that EPA and the Department of Justice are currently working with the City in an attempt to resolve at least the more short-term immediate problems that plague the Blue Plains facility.

We recognize that the Subcommittee today will not be looking at specific legislative solutions to the problems we have outlined; however, I would respectfully suggest that the Congress give serious consideration to new financing systems for both the water and wastewater treatment systems, including the establishment of separate accounts for the collection and disbursement of grant payments and revenues for operation and maintenance. In addition, some form of regional water and sewer authority that represents the interests of all jurisdictions served by these facilities is crucial so that the systems can make the major capital improvements that are critical to the health and safety of the people living in this region and protection of the local environment.

I want to thank you for your patience this morning. This has been a lengthy presentation, and I appreciate your attention and concern. I would be happy to answer any questions, either now or at the Chairman's convenience.

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Mr. DAVIS. Not at all, and we appreciate the thoroughness with which you have prepared in putting this before us.

I am going to let Ms. Norton start the questioning and then we will proceed. Thank you.

The delegate from the District of Columbia.

Ms. NORTON. Thank you very much, Mr. Chairman.

I know you will recall our great concern with the cryptosporidium alert, the boil-water alert, and I would be concerned to know how many times since the 1993 December boil-water alert, the false alarm alert, have there been presumptive findings of cryptosporidium in the water, in the water from the aqueduct?

Mr. MCCABE. Congresswoman Norton, currently there is no problem with cryptosporidium in the system. I will let Dr. Morris respond more fully to that question about the inspection.

Mr. MORRIS. My understanding is there have been three presumptive cryptosporidium found in the raw water, none in the finished water supply.

Ms. NORTON. What's the degree of risk then if—I mean, are you concerned that we might have a problem any time soon in the water supply?

Mr. MORRIS. Since the December 1993 concern, the corps has substantially changed the filtration system and upgraded it, so we don't believe there is any concern at all for that in the finished water.

Ms. NORTON. There's great concern among those of us who have been working on environmental issues at talk of the possibility of raw sewage flowing into the Potomac. How do you assess the degree of that risk?

Mr. MCCABE. Well, that is—that is one of our concerns with the Blue Plains facility. If it is not properly maintained and operated, we fear that, in fact, that is a problem that could occur. We don't know when it could occur. We know that if the trend of operation and lack of maintenance continues, that it's a very real concern.

At this time of year, because of the temperature, if it were to occur it would have less of an environmental impact on the environment, both upstream and downstream.

I want to remind people that because of the tidal nature of the Potomac, this effluent could flow up to the Chain Bridge. It is not something that just flows downstream to the Chesapeake Bay.

But this is a concern and that's part of the reason why we have been seeking a resolution of the maintenance and operation problems that we find at the plant.

Ms. NORTON. Let me try to divide the structural problems that will take money to repair from effort, and ask you what is your view of the effort of the corps and the District to come into compliance?

Mr. MCCABE. Of the effort—the Corps of Engineers, with the Blue Plains Plant—that's the facility that we are talking about—has been doing a great job, as have the people who work at the plant. I want to emphasize that they are understaffed.

Ms. NORTON. But that work in the——

Mr. MCCABE. In the Blue Plains facility.

Ms. NORTON [continuing]. Blue Plains plant?

Mr. MCCABE. I want to emphasize that they are overworked, understaffed, and they have kept that plant together under extreme conditions. The Corps of Engineers operates there as well, and we certainly support their effort. They are under contract to us.

But as far as the continued concerns with the plant, there need to be improvements and those improvements range from more staffing to proper supply of chemicals to rehabilitating some of the sedimentary basins. We have a list of priority items that the plant needs to address and we have been working with the District to try to get them to address those priorities.

Ms. NORTON. There's increasing—because of the news stories about both the aqueduct and Blue Plains, there is concern in the public about—particularly drinking water, about raw sewage. I am wondering where EPA stands on the request of environmental groups for a public hearing on drinking water quality.

Mr. MCCABE. We are planning to have a public hearing on April 9, and we think it is important to address some of the issues that have been raised. It is crucial to our proposed administrative order, which would—which was issued on the drinking water system. So that will be April 9.

Ms. NORTON. I appreciate hearing that because I think once the public does get that opportunity, some of the concern will be erased.

I would like to ask you about a continuing problem that is of special concern in this region. That is, that in this region, particularly in Maryland and Virginia, interestingly enough, there are the highest cancer rates in the United States, and no one has ever been able to come to grips with the cause, but it is thought to go well beyond the usual concerns. And one of the concerns surely would be whether water contamination or water treatment contributes to these high rates.

I wonder if the corps testing indicates that TTHM's are found at high levels in District of Columbia water? As I understand it, your current standard for TTHM's is 100 parts per billion, but that our current levels actually average around 97 to 99 parts per billion. Are we that close to the edge?

Mr. MCCABE. You are very close to that limit. It does not exceed the limit, but it does come very close. That is part of our concern. The reason that you have the trihalomethanes at that level is because of the concern about the quality of the water and the safety of the water, and you are basically flushing a lot of that chlorine through the system in order to ensure its safety.

Ms. NORTON. How do we compare with other jurisdictions around the country with those levels?

Mr. MCCABE. I don't know that I have that information.

Mr. MORRIS. I would have to get it for you. We don't have it.

Ms. NORTON. It would be very hard to evaluate because if in fact we have these high levels and yet other water systems have these averages, that would obviously raise other questions. I wonder if you will provide for the record——

Mr. MORRIS. I do not think that concern is unique to the District of Columbia, but we will get that information for you.

Ms. NORTON. One last question, Mr. Chairman.

I would be interested in your evaluation of the call of some doctors that people suffering from depressed immune systems should boil their District of Columbia water. Is that good advice? We really think that, given that, we ought to tell the public all we know. Would that be a reasonable precaution to take?

Mr. MCCABE. We joined with the Centers for Disease Control last year in June to issue a statement on this, which basically says that for people with immune system problems, that they should consult with their doctor to decide what the best course of action is for them, given their condition. So we do advise that those individuals consult with their doctor.

Ms. NORTON. That is as far as you are willing to go?

Mr. MCCABE. Yes.

Ms. NORTON. Thank you, Mr. Chairman.

Mr. DAVIS. Thank you very much. You took some of my questions, so that makes it move a little faster.

What is the status of the administrative order affecting Blue Plains at this time? I am aware that the attorney general of Virginia—we have an assistant attorney general here today watching these hearings—has notified the District that he may file legal action to enforce the Blue Plains permit. Can you explain how that process works and what effect that notice has had on your efforts to reach agreement with the District?

Mr. MCCABE. Well, we—as I mentioned, we are in discussions with the District, we, along with the Department of Justice. We are well aware of the effort by the attorney general of the Commonwealth of Virginia to notify them, notify the District that they may sue under the Clean Water Act. And to tell you the truth, if our negotiations with the District of Columbia do not result in a fruitful resolution of the concerns that we have about Blue Plains, we may beat the attorney general to court.

That certainly is something that we would like to avoid. It is frankly a waste of the District's and EPA's money to go to court. We hope it can be avoided.

Mr. DAVIS. It is my understanding that user charges currently paid to the city by suburban customers of Blue Plains go into an enterprise fund for the exclusive use of Blue Plains. It is my further understanding that it was this fund that the District of Columbia raided for other purposes. Further, I note in your proposed order that because of this diversion of funds, critical functions have not been maintained, including chemical inventories, contract support, preventive maintenance, replacement parts, and competent staffing. Regarding the EPA mandate to restore up to $100 million, is it the EPA's position that the action by the District was a violation of law, and if so, would this be a law that could be prosecuted and would prosecution be recommended, and if prosecution is being recommended, what officials or former officials would be targeted?

Mr. MCCABE. As far as whether it is a violation of law, it appears that the diversion of funds from the enterprise fund may not actually violate the District of Columbia's law, because the District of Columbia did set up the water and sewer enterprise fund, which is what collects those funds.

However, as part of EPA's contract grant agreement with the District, we require that the funds be used, that the funds that are

coming in for sewer use be used for the operation and maintenance of the facility. Clearly, those funds have not been used for that purpose at the level that we feel is adequate to maintain the facility. And we are, in effect, trying to assess whether there has been a violation there.

Mr. DAVIS. So you are still looking. A contract violation is different from a legal violation, and that is what you are looking at?

Mr. MCCABE. It would be a legal violation.

Mr. DAVIS. Are conditions better or worse at Blue Plains since the EPA issued its proposed order last year?

Mr. MCCABE. You are going to put me on the spot. I think that they are slightly better, and part of that may not be so much a result of issuing the order as the discussions that we have had recently with the Department of Justice which clearly will move us toward a court resolution of this, if we can't agree to a negotiated settlement on this.

Mr. DAVIS. Thank you. I understand the city has been catching up on vendor payments; is that correct?

Mr. MCCABE. They have been.

Mr. DAVIS. OK.

Mr. MCCABE. I want to emphasize that even though things may be slightly better than they were when the NEIC reports were conducted—and I would like to submit those reports for the record, if I might—those were the reports which really provided us with substantial information on the problems at the Blue Plains facility. Even though they are better, they still are not at a level that we feel is adequate to maintain and operate that plant and ultimately protect the public health.

Mr. DAVIS. Could you explain your current regimen of activities in monitoring of Blue Plains and comment on the current operating status of the plant?

Mr. MCCABE. I will let Dr. Morris go over that.

Mr. MORRIS. We have got several monitorings going on at this point. One is a special one in terms of looking at the situation that is ongoing at the present time. There is also the monitoring required by the District, and that is a monthly requirement of information that is sent to us.

The problem we have seen over the last 6 months is that there are two requirements on Blue Plains. One is for continued operation and maintenance, and that is all a permit requirement. That is the one that we feel is substantially violated. Over the last 6 months we have also seen that the effluent from the plant, which had never been in violation over the last couple of years, has now been deteriorating.

So starting last July we have seen minor violations which do not cause an environmental problem for us, but they are further indication that the plant is declining and that we have a serious problem there. So it is more of an indicator that we are seeing as opposed to a serious environmental or health problem.

Mr. DAVIS. How often are we getting EPA employees over there observing?

Mr. MORRIS. We have almost continual discussions on a weekly, two-to-three-times-a-week basis with the people at the plant; and

the Corps of Engineers is there every day, so we are in constant contact with them.

Mr. MCCABE. We have seven Corps of Engineers people there every day under contract to EPA.

Mr. DAVIS. If EPA is involved with the sewer collector system, could you tell us what its condition is, what, if any, significant problems these seem to be and whether these problems are being addressed?

Mr. MORRIS. I do not believe there is a problem with the collection system at this point. The problems we are seeing are in the plant itself and the operation of that plant.

Mr. DAVIS. Thank you very much.

I understand that there was an EPA Inspector General investigation and report on Blue Plains a few years ago. Could you explain what that investigation was about, what its findings were and if any recommendations were made, and if they have been implemented?

Mr. MORRIS. That was a fairly limited investigation. It had to do with grants issued to the plant and the correct use of funds by the city for expenditures at the plant. Several million dollars were questioned in terms of the grant usage and some of those are still being assessed in terms of an appeal by the city. No determination has been made on that, final determination, by the Inspector General.

Mr. DAVIS. Last question on Blue Plains: Will the EPA keep this subcommittee fully informed of developments surrounding the proposed administrative order regarding Blue Plains and make itself available for further testimony on proposed solutions?

Mr. MCCABE. We certainly will. We will be glad to help in any way.

Mr. DAVIS. Just a few questions on the water system. What is the status of the administrative order directed against the city's water facility? I understand that a hearing is scheduled in Washington for April 9. What is the nature of this hearing and are there ongoing efforts to arrive at the equivalent of a consent decree? And do you intend to address the issues raised by the natural resources defense group and other concerned groups or not?

Mr. MCCABE. There are ongoing efforts. In fact, just as recently as yesterday we sent a letter to the District to try to move them forward further on this.

Mr. MORRIS. We have had discussions, starting in last fall, that seemed to satisfy us and the District in terms of what needs to be done. We have asked that the District finalize those in terms of a written response to us so that we have it prior to the hearing. But it looks like we will be able to go forward and achieve a consent agreement.

Mr. DAVIS. Is the corps involved in this or is just the——

Mr. MORRIS. This one is the District.

Mr. DAVIS. How bad are the pipes that run through the city right now which are not part of the aqueduct, but the distribution system? Is the distribution system very old at this point and could you describe its condition?

Mr. MORRIS. They are old, but the concern we have is in the flushing and maintenance of those. That seems to be again related

to the finance capability of the city, because the same water, as we have mentioned, is going over to Arlington and Falls Church. And they are not seeing the same problems we are seeing in the city in terms of low grades of bacterial contamination that we have been picking up this summer.

Mr. DAVIS. So as opposed to the distribution system itself—I am talking about the physical pipes and infrastructure—it is really a question of maintenance?

Mr. MORRIS. Maintenance of the system itself and the reservoirs that feed it.

Mr. DAVIS. It is my understanding that turbidity is cloudiness in water that can reflect poor filtration, as well as indicate the presence of parasitic or other microorganisms such as cryptosporidium. Was it the turbidity problem that caused EPA to issue its boiled water alert in 1993?

Mr. MORRIS. Yes. It was a breakthrough on the filters in Dalecarlia, and they have since been upgraded and there has been extremely good filtration since then. The levels of finished water have been well within EPA limits.

Mr. DAVIS. So the current activity and monitoring regimen for the system is going well; is that reasonable?

Mr. MORRIS. The system itself, we are picking up, have picked up over the summer low-grade contamination which concerns us. And that was the part of the administrative order or proposed administrative order that was issued. The other contamination at the plant, primarily from the cryptosporidium concerns and the filtration, seems to be under control.

Mr. DAVIS. OK. How would you rate the status of the Washington aqueduct as far as being a modern plant, operating efficiently, and meeting all required standards?

Mr. MORRIS. It needs to be modernized. It needs some substantial changes in modernization, and they need some money to do that. They have been meeting their requirements to do intensive care by the corps since the 1993 concern we had with the boiled water notice.

Mr. DAVIS. But the long-term solution to modernize the plant is going to be substantial infrastructure——

Mr. MORRIS. We understand, yes, it is many tens of millions of dollars to bring it up to where it should be.

Mr. DAVIS. Going back to the water distribution system in the city itself, which is very old—you talked about the need for maintenance and flushing, do you think there is a need for extensive upgrading and repairs, or do you think it can be handled with proper maintenance?

Mr. MORRIS. There are some requirements there, but it is usually at the reservoirs. There is a study that has gone on which details that more precisely, and that is what we are working on with the city at this point.

Mr. DAVIS. You hear anecdotally about all these pipes going through the city and how they have been there for many, many years and are going to need wholesale replacement. You don't see a problem of that magnitude?

Mr. MORRIS. Not a wholesale one. There will be individual places where that needs to be done. That will be part of the evaluation

that needs to be done as ongoing maintenance of a good water system.

Mr. DAVIS. I am sure you are familiar with the criticisms leveled against both the corps and the Department of Public Works on the water system by environmental groups. Could you respond to any of those criticisms; as to whether they are valid on both an individual and comprehensive basis, or whether they tend to lump together actual violations, such as concerns about EPA standards, and issues like lead solder in houses, over which DPW has no control. Do they paint a picture that is really worse than reality? Do you have any reaction to that?

Mr. MCCABE. I think that some of the concerns that have been raised are legitimate, and we share some of those concerns; I have outlined them in the testimony. We hope that the public hearing on April 9 will allow us to address those issues and also hear more from the public.

Mr. DAVIS. The last question is, could you explain the EPA's position on the call from some doctors that all people suffering from suppressed immune systems should boil District of Columbia water? Is this necessary in your judgment? If so, is this a District of Columbia problem, or would the same hold true for all public water systems? Do EPA standards call for water pure enough to protect every single person in the country, and is it possible and reasonable to set or implement such standards?

Mr. MCCABE. Again, we worked with the Centers for Disease Control to develop the advisory that was issued last year, and that was specifically directed at individuals with immunosuppressed diseases. And it was advised that the individuals consult with their individual doctor.

Mr. DAVIS. Nationwide or just in the District of Columbia?

Mr. MCCABE. That was for the District of Columbia, but in consultation with CDC, it is similar to other advisories that have been issued elsewhere.

Mr. DAVIS. Thank you very much. That is all the questions I have.

Ms. Norton, any other questions?

Ms. NORTON. No further questions.

Mr. DAVIS. Thank you very much. We appreciate your being here, and we will probably be talking to you again as we move through.

We will ask Larry King of the Department of Public Works to step forward.

I welcome Mr. Larry King, director of the District of Columbia Department of Public Works. As the director of the Department of Public Works, Mr. King is responsible for a wide range of highly visible municipal services. I appreciate your cooperation with our hearing today.

As you have been advised, it is the policy of this committee that all witnesses be sworn before you testify.

[Witness sworn.]

Mr. DAVIS. The subcommittee will carefully review any written statements you care to submit; and again, if you could try to stay within 10 minutes, it would be great. Ms. Norton and I will be

reading everything you have written and will move to the questions when you are finished.

STATEMENT OF LARRY KING, DIRECTOR, DISTRICT OF COLUMBIA DEPARTMENT OF PUBLIC WORKS, ACCOMPANIED BY MICHAEL C. ROGERS, CITY ADMINISTRATOR, DISTRICT OF COLUMBIA

Mr. KING. Good morning, Congressman Davis and Congresswoman Norton and members of the subcommittee. My name is Larry King, and I am the director of the Department of Public Works.

Before I get started, I would like to give Michael Rogers' apologies for having to leave the hearing. Something important came up, and he had to leave, so I want to give those apologies.

[The prepared statement of Mr. Rogers follows:]

OVERSIGHT HEARING ON WATER AND SEWER SYSTEM
SUBCOMMITTEE ON THE DISTRICT OF COLUMBIA
FEBRUARY 23, 1996

THANK YOU FOR INVITING ME HERE TODAY TO DISCUSS WATER AND SEWER SYSTEMS IN THE DISTRICT OF COLUMBIA. I AM MICHAEL C. ROGERS, CITY ADMINISTRATOR FOR THE DISTRICT OF COLUMBIA. I AM JOINED BY MR. LARRY KING, DIRECTOR OF PUBLIC WORKS WHO WILL PROVIDE ADDITIONAL COMMENTS AT THE CONCLUSION OF MY TESTIMONY.

THIS IS, BY FAR, AN ISSUE WE HERE IN THE DISTRICT OF COLUMBIA HAVE TAKEN SERIOUSLY FOR QUITE A WHILE, BEGINNING WITH OUR COMMITMENT IN 1987 TO HELP CLEAN UP THE CHESAPEAKE BAY. AT THAT TIME, MAYOR BARRY, ALONG WITH THE GOVERNORS OF MARYLAND, PENNSYLVANIA AND VIRGINIA, SIGNED A COMPACT TO IMPROVE THE WATER QUALITY OF THE BAY. TOWARD THIS END, ONE OF THE PRIMARY COMMITMENTS OF THE DISTRICT AND BLUE PLAINS IS TO REDUCE NITROGEN LEVELS IN THE BAY BY 40 PERCENT. I AM PLEASED TO INDICATE THAT THE DISTRICT IS POISED AND RIGHT ON

SCHEDULE TO BEGIN THE AGREED UPON PILOT PROJECT THIS SPRING. IF SUCCESSFUL, THIS PROJECT COULD REDUCE NITROGEN LEVELS BY AS MUCH AS 35 TO 40 PERCENT.

WHILE THIS PROJECT WILL HAVE LIMITED, IF ANY BENEFIT TO WATER QUALITY IN THE POTOMAC RIVER, THIS REDUCTION IN NITROGEN WILL SIGNIFICANTLY IMPROVE WATER QUALITY IN THE CHESAPEAKE BAY--REPRESENTING A CLEAR DEMONSTRATION OF THE DISTRICT'S COMMITMENT TO BEING A GOOD NEIGHBOR BY IMPROVING REGIONAL WATER QUALITY.

IN ADDITION, BLUE PLAINS HAS HISTORICALLY PLAYED A SIGNIFICANT ROLE IN IMPROVING THE POTOMAC RIVER--BEGINNING IN THE LATE 1980'S WHEN THE DISTRICT INSTALLED MORE ADVANCED TREATMENT MECHANISMS AT THE PLANT. BEFORE THESE IMPROVEMENTS AT BLUE PLAINS, THE POTOMAC RIVER WAS IN TERRIBLE CONDITION. IN FACT, FISHING WAS ACTUALLY BANNED IN PORTIONS OF THE RIVER DUE TO CONTAMINATION. IN ADDITION, SUBMERGED AQUATIC VEGETATION HAD ALL BUT DISAPPEARED. TODAY, LARGELY AS A RESULT OF THE TREATMENT CAPACITY AND ABILITY OF BLUE PLAINS, THE POTOMAC

SUPPORTS A MORE HEALTHY FISHERY. WILDFOWL NEST AND FEED ALONG THE FRESHWATER PORTION OF THE RIVER AND WE HAVE SEEN THE RETURN OF AQUATIC VEGETATION.

WHILE MEMORIES OF OUR CONTRIBUTION TO THE WATER QUALITY OF THE POTOMAC RIVER MAY BE SHORT-LIVED FOR SOME OF US, THE REALITY IS THAT THE DISTRICT HAS, BY VIRTUE OF ITS EFFORTS AT BLUE PLAINS, PLAYED A MAJOR, CONTRIBUTING ROLE IN MAKING THE POTOMAC RIVER THE NATURAL RESOURCE WE KNOW AND APPRECIATE TODAY.

THESE ISSUES COMPEL ME TO MAKE THIS CRITICAL POINT FOR THE RECORD, AND THAT IS, FOR THE LAST 50 YEARS--A FULL HALF OF A CENTURY, BLUE PLAINS HAS PROVIDED THE DISTRICT AND THE REGION WITH RELIABLE, LOW COST WASTEWATER TREATMENT SERVICES. UP UNTIL THE LAST THREE OR FOUR YEARS, THE STAFF AT BLUE PLAINS HAVE OPERATED IN RELATIVE OBSCURITY, QUIETLY AND EFFECTIVELY CONDUCTING THE BUSINESS OF WASTEWATER TREATMENT. LET ME EMPHATICALLY STATE THAT WHEN IT IS ALL SAID AND DONE, AS WE MOVE TOWARD THE ESTABLISHMENT OF A NEW STRUCTURE AND

MODEL FOR THIS FACILITY, THE LEGACY OF BLUE PLAINS WILL BE ONE OF ENVIRONMENTAL EXCELLENCE.

WHAT ARE THE CURRENT CHALLENGES?

IN RECENT WEEKS, WE HAVE WITNESSED A FLURRY OF MEDIA REPORTS ON THE CONDITION OF BLUE PLAINS AND THE DISTRICT'S WATER DISTRIBUTION SYSTEM. MOREOVER, THE ENVIRONMENTAL PROTECTION AGENCY HAS IDENTIFIED SPECIFIC PROBLEM AREAS THE DISTRICT MUST ADDRESS IMMEDIATELY OR FACE LEGAL RETRIBUTION OR COURT ACTION.

IT IS IMPORTANT TO NOTE THAT WERE IT NOT FOR OUR ACUTE FISCAL CONDITION AND A VERY UNWISE DECISION MADE DURING THE PRIOR ADMINISTRATION TO TRANSFER MILLIONS OF DOLLARS FROM WASUA'S CASH RESERVES TO THE GENERAL FUND, WE WOULD NOT BE FACING MANY OF THE CHALLENGES WE READ AND HEAR ABOUT TODAY.

WHETHER WE WANT TO ADMIT IT OR NOT, THESE ISSUES HAVE HAD A DIRECT IMPACT ON OUR OPERATING ABILITY, YET WE ARE TRYING

WITH ALL OF OUR MIGHT TO MANAGE THROUGH THE FISCAL INDISCRETIONS OF THE PAST. TO THIS END, IT IS IMPORTANT TO NOTE THAT THE MAYOR HAS RECOGNIZED THE NEED TO RESTORE THE APPROXIMATELY $83 MILLION THAT WAS TRANSFERRED FROM WASUA OPERATING RESERVES AND HAS MADE SUCH PROVISIONS IN THE DISTRICT'S MULTI-YEAR PLAN. SPECIFICALLY, BEGINNING IN FY97, THE DISTRICT WILL MAKE ANNUAL CONTRIBUTIONS OF $21.7 MILLION AS REPAYMENT OF THE TRANSFERRED RESERVES. I SHOULD ALSO ADD, HOWEVER, THAT RECENT PROBLEMS AT BLUE PLAINS DO NOT RESIDE WITH THE ON-SITE TECHNICIANS AND MANAGEMENT TEAM AT THE PLANT. RATHER, THE PROBLEMS STEM FROM THE CENTRAL ADMINISTRATIVE AND FISCAL ENCUMBRANCES THAT NOT ONLY IMPACT BLUE PLAINS BUT OTHER DISTRICT AGENCIES AS WELL. AS SUCH, TIMELY PAYMENT OF VENDORS AND OUR PERPETUAL CASH FLOW DIFFICULTIES HAVE UNNECESSARILY IMPACTED PLANT OPERATIONS AND CONSTRAINED ITS ABILITY TO PERFORM.

WHAT'S THE SOLUTION?

OBVIOUSLY THE ESTABLISHMENT OF AN INDEPENDENT AUTHORITY

SEPARATE FROM THE ADMINISTRATIVE, FISCAL AND OPERATING PROCESSES AND CONTROLS OF THE DISTRICT GOVERNMENT IS THE LOGICAL SOLUTION TO THIS PROBLEM. DURING MY FIRST MONTH AS CITY ADMINISTRATOR, THE MAYOR ASKED ME TO ADVANCE THIS PROPOSAL TO THE REGION. AS YOU WELL KNOW, THE LEGISLATION WAS RECENTLY APPROVED BY THE DISTRICT'S FINANCIAL AUTHORITY AND WILL, OF COURSE, REQUIRE THE APPROVAL OF CONGRESS. WE ARE CONFIDENT THAT CONGRESS WILL SEE THE WISDOM OF THIS LEGISLATION IN ITS CURRENT FORM AND MOVE FAVORABLY AND EXPEDITIOUSLY TO ENSURE ITS IMPLEMENTATION THIS FISCAL YEAR.

WHAT ABOUT THE INTERIM PERIOD?

I MADE MENTIONED EARLIER, OF EPA'S IDENTIFICATION OF SEVEN PRIORITY AREAS IN WHICH THE DISTRICT MUST CONCENTRATE ITS EFFORTS DURING THE INTERIM PERIOD PRIOR TO THE ESTABLISHMENT OF AN INDEPENDENT AUTHORITY. ON JANUARY 26TH, THE DISTRICT SUBMITTED AN ACTION PLAN TO EPA OUTLINING OUR RESPONSE TO THESE ISSUES. BOTH EPA AND THE DEPARTMENT OF JUSTICE HAVE BEEN NEGOTIATING THE FINER POINTS OF THIS PLAN ON A DAILY BASIS

WITH OUR LAWYERS. AGAIN, MOST OF THESE ISSUES ARE DRIVEN BY OUR ABILITY TO PAY VENDORS IN A TIMELY MANNER AND PROCURE EQUIPMENT, GOODS AND SERVICES.

THE DISTRICT HAS BEEN EXTREMELY RESPONSIVE TO EPA AND THE DEPARTMENT OF JUSTICE. THE MAYOR HAS MADE A MANAGEMENT CHANGE IN THE LEADERSHIP OF THE PLANT, AND WE HAVE ESTABLISHED AN IN-HOUSE MONITORING TEAM TO EXPEDITE PAYMENTS AND PROCUREMENT-RELATED DOCUMENTS. I PERSONALLY HAVE MET WITH THE FINANCIAL AUTHORITY AND THE CHIEF FINANCIAL OFFICER TO ENSURE THEIR SUPPORT AND COOPERATION ON THIS ISSUE. AND, I HAVE BEEN COMPLETELY ACCESSIBLE TO EPA AND THE DEPARTMENT OF JUSTICE, HAVING MET WITH THEM ON A REGULAR BASIS TO ASSESS NEEDS AND MAKE ADJUSTMENTS AS WE MOVE AHEAD.

ADDITIONALLY, THE MAYOR HAS PERSONALLY MET WITH BLUE PLAINS STAFF TO INFORM THEM OF THIS ISSUE AND ENSURE THEIR TOTAL COMMITMENT TO BLUE PLAINS' SUCCESS DURING AND BEYOND THIS INTERIM PERIOD. WE ARE DETERMINED TO REMOVE FISCAL AND ADMINISTRATIVE IMPEDIMENTS SO THAT BLUE PLAINS CAN

EFFECTIVELY FUNCTION AND OPERATE DURING THIS CRITICAL TRANSITION PERIOD.

WATER DISTRIBUTION SYSTEM

THE DISTRICT OF COLUMBIA RECEIVES TREATED DRINKING WATER FROM THE U.S. ARMY CORPS OF ENGINEERS. THE DELIVERY OF TREATED WATER IS THE DISTRICT'S RESPONSIBILITY. NOT UNLIKE MANY OF THE NATION'S OLDER CITIES, THE DISTRICT'S WATER DISTRIBUTION SYSTEM IS OLD AND IN NEED OF REPAIR. THIS IS NO SECRET, BUT A WELL PUBLICIZED AND DOCUMENTED FACT. ONE THAT THE DISTRICT ITSELF READILY ADMITS.

IN SPITE OF OUR FISCAL DIFFICULTIES, AND THE COSTLY INFRASTRUCTURE IMPROVEMENTS NEEDED THROUGHOUT OUR SYSTEM, THE DISTRICT HAS SOUGHT TO IMPROVE WATER DISTRIBUTION CITY WIDE. WE HAVE INCREASED FLUSHING AND AS WELL AS OUR CLEANING SCHEDULE FOR RESERVOIRS. WE HAVE ALSO HIRED A CONSULTANT TO DEVELOP A LONG-TERM STRATEGY TO IMPROVE OUR WATER DISTRIBUTION SYSTEM. WE WILL BE DEVELOPING AN ACTION

PLAN FOR THE IMPROVEMENT OF OUR SYSTEM FOLLOWING THIS STUDY (SCHEDULED FOR THIS SPRING) AND WILL INCLUDE TIMETABLES AND FUNDING NEEDS.

WHAT ABOUT FINANCING?

WITHOUT A DOUBT, FINANCING THESE IMPROVEMENTS IS A MAJOR HURDLE. THE INDEPENDENT AUTHORITY AS PROPOSED, HAS THE ABILITY TO FINANCE ITS CAPITAL NEEDS AND ESTABLISH WATER AND SEWER RATES. CLEARLY THESE LEGISLATIVE PROVISIONS WILL PLAY A CRITICAL ROLE IN THE DISTRICT'S ABILITY TO IMPROVE OUR WATER DISTRIBUTION AND SEWER SYSTEMS.

CONCLUSION

IN CONCLUDING, I WOULD LIKE TO EMPHASIZE THAT THE DRINKING WATER IN THE DISTRICT OF COLUMBIA IS SAFE AND THAT THE DISTRICT'S HISTORY OF PROVIDING SAFE, RELIABLE WATER TREATMENT SERVICES WILL CONTINUE. WE ARE COMMITTED TO WORKING HAND IN HAND WITH EPA TO ADDRESS OUR MUTUAL

CONCERNS AND ARE CONFIDENT THAT WE ARE MAKING MEASURABLE PROGRESS ON THEIR ISSUES. THIS CONCLUDES MY TESTIMONY. AS I INDICATED EARLIER, OUR DIRECTOR OF PUBLIC WORKS HAS COMMENTS FOR YOUR CONSIDERATION, AFTER WHICH WE ARE AVAILABLE TO ANSWER ANY QUESTIONS YOU MIGHT HAVE.

Mr. KING. I am pleased to appear before the Subcommittee of the District of Columbia to report on the quality of drinking water and wastewater treatment in the District of Columbia. First, I would like to state that the drinking water in the District of Columbia is safe. Also the District of Columbia government is in harmony with the Federal officials who are responsible for regulating drinking water and the treatment of wastewater. In fact, we are committed to exceeding the compliance levels set in the regulations, and we have charted a course to achieve that goal.

As you are no doubt aware, the District of Columbia purchases its water, drinking water, from the U.S. Corps of Engineers, U.S. Army Corps of Engineers, Washington aqueduct division. The District of Columbia receives approximately 75 percent of the water produced by the Washington aqueduct; the remainder is delivered to Arlington County and Falls Church, VA.

The delivery of potable water within the District of Columbia is the responsibility of the Department of Public Works, Water and Sewer Utility Administration. The U.S. Army Corps of Engineers and the Department of Public Works monitor the quality of treated water on a daily basis.

Let me emphasize that bacteria is in all water systems, and the monitoring program identifies when bacteria exceeds the tolerance levels established in the Federal regulations. The Washington aqueduct takes samples daily according to Federal regulations, and a minimum of 210 is required for a community of our size.

As with many other urban utilities, the District's water distribution system has been in service for generations, with some components predating the Civil War. These systems are now in need of substantial rehabilitation to maintain the required levels of service in the coming years. The District has responded to these needs by developing a request for proposal to address infrastructure improvements for the water distribution system, and that is not all we are doing.

Since the July 1995 release of the sanitary survey of the District drinking water system, we have taken the following actions as our initial response to the approximately 170 recommendations contained in the document. We have increased the flushing of the distribution system. We have begun to inspect and clean all of our underground reservoirs and elevated tanks. Currently, four reservoirs and four elevated tanks have been cleaned and inspected. And we have hired the well-respected consulting firm of Camp, Dresser & McKee to prepare a study of the water distribution system for the purpose of making additional recommendations on water distribution system improvements.

Their study will be completed next month. And the expected products from this effort include revised standard operating procedures, a review of our sampling plan and the setting-up of a cross-connection control program that will help ensure water quality. Through the spring we will be working with the Environmental Protection Agency, our consultants and the Washington aqueduct to finalize a long-term strategy based on our consultants' findings to improve the quality of our water distribution system. This strategy will include a priority list of projects with specific deadlines and funding requirements to implement the action.

In regard to drinking water, the problems recently experienced in the District of Columbia, the cause of these violations cannot be pinpointed. It is a very, very complex issue that requires further study. The District has engaged consulting firms to help pursue appropriate and effective remedial action. These violations are not related to anything the District has done or failed to do.

One of the keys to improving the District's water distribution system is identifying adequate funding to pay for the necessary capital operating and maintenance improvements. And to that end, it is important to note that the Mayor has recognized the need to restore the approximately $83 million that was transferred from the water-sewer utility operating reserves and has made such provisions in the District's multiyear plan. Specifically beginning in the 1997 budget, the District will make annual contributions of $21.7 million as repayment of those transferred reserves.

We believe that we will find the resources necessary to upgrade the District's water distribution system through the District of Columbia Water and Sewer Authority establishment and DPW Reorganization Act of 1996. This legislation currently being reviewed, or on its way to Congress, will create a separate water and sewer authority with capital budget authority and operating and maintenance funding separate from the District of Columbia government. This legislation provides a framework for improvements to the water distribution system which will enable the District to meet the requirements of the Safe Drinking Water Act.

Let me talk a couple of minutes about the wastewater treatment. Wastewater treatment is provided by the Blue Plains advanced wastewater treatment plant. Blue Plains is the largest advanced wastewater treatment plant in the world. It serves over 2 million people in the Washington metropolitan area, and over the past 20 years, its performance has been responsible for the cleanup of the Potomac River. For this achievement, the District has received numerous awards.

Plant performance continues to be excellent with long-term effluent quality well within permit limits. Some short-term excursions have occurred occasionally, and a lot of this is primarily due to the impact of severe storms. Blue Plains is operated efficiently. Its cost for treatment, at less than $1,000 per million gallons, is well below that of other advanced facilities both in the area and nationally.

As reported to EPA, there are some equipment problems at Blue Plains that need to be addressed if our record of achievement is to continue. We have begun an accelerated program of repairing equipment, and we have been working with the Environmental Protection Agency to develop a program to address these maintenance issues. This program has the support of top District officials, including Mayor Barry, Mr. Rogers, the city administrator, and Mr. Williams, chief financial officer.

We have briefed and received support from the financial authority to assist in implementation of this ambitious program. However, we believe, as with the water side, a new independent authority structure for the water-sewer utility will facilitate better management systems, availability of needed funding and timely facility improvements and maintenance.

This concludes my testimony, and obviously I would be happy to respond to any questions that you may have.

Mr. DAVIS. Thank you very much.

I want to say on Blue Plains, we don't have complete closure with all of the users and everything, but the city clearly has made some changes in the policy. I wanted to applaud you on doing that. It may not contain everything at this point that I am comfortable with, but I want to get everybody's remarks before we make a decision, and to assure you that we will continue to try to work together on these issues before it is all finished. I do want to note that you have made progress and to congratulate you.

I am going to let Ms. Norton start the questioning again. Ms. Norton.

Ms. NORTON. Mr. Chairman, thank you.

Mr. King, I appreciate your testimony and the candor in the testimony. Let me ask you first about the purported large increase in water and sewer bills, and why increases have not occurred incrementally all along, and whether that increase simply makes up for the failure to raise, to increase the bill to consumers?

Mr. KING. Well, I really can't speak about why it has not been raised. We are very suspicious that a political body would have to make those decisions. That might be a part of the issue.

Ms. NORTON. How many has it been?

Mr. KING. Ten years since we had a rate increase.

Mr. DAVIS. Spoken like a good staff man on that. That was a good answer.

Mr. KING. Thank you, Mr. Davis. I try.

I did bring along the—a survey that talks about households' water-sewer charges over a 10-year period. The base year is 1985, which is just about 1 year before us. It has been about a 100-percent increase for most people's bills in that period of time. So this 70 percent is less than what the average would have been if we had been making those increases all along.

I just would like to just say that the average tends to be around 5, 6 percent a year, as I look at this chart, from 1985 to 1995.

Ms. NORTON. Thank you. I am concerned about the fact that Virginia would feel it had to go to court against the District on the Blue Plains matter. Its concern is largely one that the District has conceded and is trying to correct. You have got a 60-day notice, and that, of course, is the kind of notice that is intended to give a jurisdiction time to bring itself within compliance. I would think that it was also the kind of notice that would help people to sit down and figure out a solution short of a court suit.

I wonder if you are having any discussions with Virginia that might satisfy and keep that jurisdiction and its concerns, many of them legitimate, so that we did not have one regional jurisdiction suing another regional jurisdiction at a time when we are trying to work together to find a solution to both aqueduct and Blue Plains, and where a straight-out lawsuit might poison the atmosphere for the entire matter involving these two plants.

Mr. KING. Well, I can't speak directly to that since the corporation counsel of the District of Columbia is working personally on that issue. I do know that he has contacted the attorney general and is awaiting some response from that.

Ms. NORTON. Are those settlement discussions?

Mr. KING. No, just in response to his letter of intent. We are not—it is my understanding the corporation counsel is trying to arrange discussions with him about it up front.

Ms. NORTON. I would like to encourage those discussions. Many of us in the District have seen, and I wish you would carry this back to corporation counsel from this Member, I don't know how many times I have seen the District go into court on matters it will inevitably lose, spend our money fighting suits where we could not possibly succeed. Then when we lose, we incur greater cost than we would have had we engaged in rational discussions.

Part of what this suit would be about is already conceded in the record. Obviously, the District is trying its best to comply; Virginia must surely see that. I cannot believe that if the parties sat down, some kind of solution to a court suit, which seems otherwise inevitable, could not be worked out. I hope that——

Mr. KING. Mr. Ruff is awaiting the attorney general's response to an invitation to meet. So we want——

Ms. NORTON. That is an invitation to meet then?

Mr. KING. To meet.

Mr. DAVIS. We will be happy to help facilitate that.

Mr. KING. We appreciate that.

In terms of the compliance issues, as I stated in my testimony, we are in harmony with Federal officials in this matter, EPA and the Department of Justice, and have been working very hard to develop a plan that we all can agree to in order to resolve some of these issues.

I personally have taken on the task of not only heading up a monitoring team on those actions; I personally have taken charge of the water-sewer utility, and I have managed that myself directly, in addition to the rest of the public works. We want to show that we want to do the right thing. We intend to operate a safe plant. We intend to deliver clean and safe drinking water to our customers.

Ms. NORTON. You certainly have already begun to do the right thing, Mr. King, with the bill that the Mayor has recently signed to set up an independent authority. Yet there is some continuing disagreement and concern. I would like to know whether there are discussions with the other jurisdictions over their continuing concerns and what the prospect is for reaching agreement with the other jurisdictions.

Mr. KING. As you know, this legislation and the whole idea was developed in consultation with suburban jurisdiction partners on the Council of Governments CAO committee for Blue Plains. And subsequent to that, in addition to that, I should say, we have had discussion with elected officials in the other jurisdictions and will continue to have those discussions. We believe that we all need to work together on this.

Ms. NORTON. Well, I want to close simply by associating myself with the chairman's remarks that the District has clearly shown good faith in moving very substantially forward. As I look at the matter there, I think this thing could be—I think this thing could be wrapped up with a little more movement on each side. I know that the chairman and I would be pleased to do whatever we could

to facilitate communication and ultimate agreement among the parties.

Thank you, Mr. Chairman.

Mr. DAVIS. Ms. Norton, thank you.

Let me get, for the record, a few questions on Blue Plains and then I will move into the issue of water.

How many employees are there at Blue Plains now, and how many do you think there should be, approximately? I know you are under oath. I will not hold you to the exact person——

Mr. KING. I think there are 1,259 employees in the water-sewer utility and about—let me get my numbers together here.

Mr. DAVIS. That is all of them combined?

Mr. KING. That is all of it combined. There should be around 1,700. That includes the water side, too.

Mr. DAVIS. I understand. I will take that for now.

Mr. KING. I can get you the specific breakdown of Blue Plains.

Mr. DAVIS. That would be fine.

Mr. KING. I have a couple of notes here.

Mr. DAVIS. That is fine.

Mr. KING. We are understaffed in certain areas; in certain of those areas we have brought on contractors to help get some of that work done. So in terms of the actual staff power to get it done, we are using a combination of employees and——

Mr. DAVIS. In theory, these positions should not impact the general fund; these are enterprise fund employees?

Mr. KING. That is correct. The problem is that in years past, with furloughs, with reduction in forces and that kind of thing, they have. That is why we have gotten into the fix that we are in now.

Also early easy-outs affected employees there, and it really should not have. This last round of early easy-outs, we were able to specify, and also what employees could use it and could not use it.

Mr. DAVIS. Maybe that is part of the problem. If they had kept it separate, we may not have been in this problem, but it has gotten put into the whole ball of wax.

Mr. KING. I think that is why moving toward an independent authority helps also.

Mr. DAVIS. Do you agree that the status of vendor payments for Blue Plains is getting better?

Mr. KING. Yes. We are, as of this morning; I checked with the utility controller, and we have caught up with our vendor payments of all the vendors we had had proper contracts or had funding for those contracts. As you know, in the past, there were some people doing work without benefit of contract. So we are still working those through.

But the ones with proper contracts, my understanding from the chief financial officer and our utility controller are up to date. We have a report which shows that.

Mr. DAVIS. Without objection, we will put that in the record. We are trying to establish a record here. It is really a fact-gathering day. We will be arguing policy at later dates, and you will certainly be involved.

[The information referred to follows:]

District of Columbia Contract Report

RUN SORT: RRPCD100 LA
RUN DATE: 2/13/96
AGENCY: LA

DAILY LISTING OF FMS CHECKS BY ORIGINATING AGENCY (EXCLUDES DMCE)
CHECK ISSUE DATE: 2/13/96

REPORT PAGE 1
REPORT ID: RRPCD10

SAMPLE INQUIRY DEVELOPED BY USER LIAISO

VOUCHER ID	LINE	ENCUMBRANCE ID	CHECK STUB REFERENCE	DISBURSEMENT ID	PAYEE	VOUCHER AMOUNT	CHECK AMOUNT
VOCELAYZ05P2	0001	CNTELA92006B	869207	DSCU64049614	LEEDS AND NORTHRUP	45,227.70	50,059.47
VOCELAYZ05P2	0002	CNTELA92006B	869207	DSCU64049614	LEEDS AND NORTHRUP	4,831.77	.00
VOUCHER TOTAL						50,059.47	50,059.47
VOCELA2550P5	0001	CNTELA0023J1	CLAIM:0941	DACU64049612	HULL CORPORATION, THE	60,000.00	60,000.00
VOUCHER TOTAL						60,000.00	60,000.00
VOCELA4960P7	0001	ORDELA500647	133309	DSCU64049641	WASHINGTON A COMPRESSOR RNTL*	153.40	153.40
VOUCHER TOTAL						153.40	153.40
VOCELA4962P2	0001	ORDELA640102	3905	DSCU64049623	SHARPLES INC	14,000.00	74,390.00
VOCELA4962P2	0002	ORDELA640102		DSCU64049623	SHARPLES INC	60,390.00	.00
VOUCHER TOTAL						74,390.00	74,390.00
VOCELA4962P3	0001	ORDELA500070	10096	DSCU64049634	TRICON OF WASHINGTON D.C.	6,470.75	6,470.75
VOUCHER TOTAL						6,470.75	6,470.75
VOCELA4962P4	0001	ORDELA600007	10098	DSCU64049635	TRICON OF WASHINGTON D.C.	14,745.10	14,745.10
VOUCHER TOTAL						14,745.10	14,745.10
VOCELA4962P5	0001	ORDELA600007	10099	DSCU64049636	TRICON OF WASHINGTON D.C.	7,377.84	7,377.84
VOUCHER TOTAL						7,377.84	7,377.84
VOCELA4962P9	0001	ORDELA501201	45766901	DSCU64049626	MPGC 95.5 FM STEREO	6,900.00	6,900.00
VOUCHER TOTAL						6,900.00	6,900.00
VOCELA4964P1	0001	ORDELA600326	00000455	DSCU64049669	SPECTRALYTIX ENVIRONMENTAL	700.00	700.00
VOUCHER TOTAL						700.00	700.00
VOCELA4964P2	0001	ORDELA600326	00000471	DSCU64049670	SPECTRALYTIX ENVIRONMENTAL	140.00	140.00
VOUCHER TOTAL						140.00	140.00
VOCELA4964P4	0001	ORDELA500803	133534	DSCU64049642	WASHINGTON A COMPRESSOR RNTL*	117.59	117.59
VOUCHER TOTAL						117.59	117.59
VOCELA4964P5	0001	ORDELA500803	133535	DSCU64049643	WASHINGTON A COMPRESSOR RNTL*	251.59	251.59
VOUCHER TOTAL						251.59	251.59
VOCELA4964P6	0001	ORDELA600378	134982	DSCU64049644	WASHINGTON A COMPRESSOR RNTL*	81.60	81.60
VOUCHER TOTAL						81.60	81.60
VOCELA4964P8	0001	ORDELA500647	133310	DSCU64049645	WASHINGTON A COMPRESSOR RNTL*	38.00	38.00
VOUCHER TOTAL						38.00	38.00
VOCELA4964P9	0001	ORDELA600327	DEC 95	DSCU64049656	MANAMAKER TERMITE&PEST CONTROL	570.00	2,999.95
VOCELA4964P9	0002	ORDELA600327		DSCU64049656	MANAMAKER TERMITE&PEST CONTROL	2,429.95	.00
VOUCHER TOTAL						2,999.95	2,999.95
VOCELA4983P8	0001	ORDELA600386	2461	DSCU64049659	LAM SUPPLY COMPANY	9,936.00	9,936.00
VOUCHER TOTAL						9,936.00	9,936.00

RUN SORT: RRPC0100 LA REPORT PAGE 12

DAILY LISTING OF FMS CHECKS BY ORIGINATING AGENCY (EXCLUDES DMCE) REPORT ID: RRPC0100

RUN DATE: 2/13/96 CHECK ISSUE DATE: 2/13/96

AGENCY: LA SAMPLE INQUIRY DEVELOPED BY USER LIAISON

VOUCHER ID	LINE	ENCUMBRANCE ID	CHECK STUB REFERENCE	DISBURSEMENT ID	PAYEE	VOUCHER AMOUNT	CHECK AMOUNT
VOCELA4987P1	0001	ORDELA640113	1	DSCU64049657	MINORITY TRUCKERS INC	10,414.03	10,414.03
VOUCHER TOTAL						10,414.03	10,414.03
VOCELA4987P2	0001	CNTELADCF300	60017046	DSCU64049683	BLACK & VEATCH	22,946.04	23,918.43
VOCELA4987P2	0002	CNTELADCF300	60017046	DSCU64049683	BLACK & VEATCH	972.39	.00
VOUCHER TOTAL						23,918.43	23,918.43
VOCELA4987P3	0001	CNTELADCF300	90019028	DSCU64049684	BLACK & VEATCH	17,161.51	17,161.51
VOUCHER TOTAL						17,161.51	17,161.51
VOCELA4987P4	0001	CNTELADCF300	90017048	DSCU64049685	BLACK & VEATCH	6,194.77	6,194.77
VOUCHER TOTAL						6,194.77	6,194.77
VOCELA4987P7	0001	CNTELADCF300	80017047	DSCU64049686	BLACK & VEATCH	5,830.56	5,830.56
VOUCHER TOTAL						5,830.56	5,830.56
VOCELA4991P3	0001	ORDELA600009	BP3113-316	DSCU64049601	C&E SERVICES INC OF WASH	10,131.44	10,131.44
VOUCHER TOTAL						10,131.44	10,131.44
VOCELA4991P5	0001	ORDELA540008	41166,3265	DSCU64049673	MARYLAND ENVIRMTL SV	1,871.87	24,064.33
VOCELA4991P5	0002	ORDELA540008	43266	DSCU64049673	MARYLAND ENVIRMTL SV	22,192.46	.00
VOUCHER TOTAL						24,064.33	24,064.33
VOCELA4991P9	0001	ORDELA600009	BP3117-129	DSCU64049602	C&E SERVICES INC OF WASH	33,694.70	33,694.70
VOUCHER TOTAL						33,694.70	33,694.70
VOCELA4997P1	0001	ORDELA600001	1110A01Z	DSCU64049613	JONES & ARTIS BIO GRO BEVARD	789,745.44	789,745.44
VOUCHER TOTAL						789,745.44	789,745.44
VOCELA4997P2	0001	ORDELA600002	04-1200BP	DSCU64049627	YNC AO AND SOIL INC	119,658.05	119,658.05
VOUCHER TOTAL						119,658.05	119,658.05
VOCELA4998P1	0001	CNTELA0FA246	P.21 C081	DSCU64049607	DAVID VOLKERT & ASSOCIATES INC	3,207.70	3,207.70
VOUCHER TOTAL						3,207.70	3,207.70
VOCELA4998P2	0001	CNTELACFA279	P.67 C085	DSCU64049605	COLE-SIEGLER	7,147.10	7,147.10
VOUCHER TOTAL						7,147.10	7,147.10
VOCELA4998P3	0001	CNTELA890094	P.30 ORIG.	DSCU64049622	SCHLOSSER M M CO INC	68,330.78	68,330.78
VOUCHER TOTAL						68,330.78	68,330.78
VOCELA4998P4	0001	CNTELA910037	P.32 ORIG.	DSCU64049613	MCI CONSTRUCTORS INC	93,624.30	100,374.30
VOCELA4998P4	0002	CNTELA910037	C088	DSCU64049615	MCI CONSTRUCTORS INC	6,750.00	.00
VOUCHER TOTAL						100,374.30	100,374.30
VOCELA4998P5	0001	CNTELA920120	P.4 ORIG	DSCU64049621	PRINCE CONSTRUCTION CO INC	80,657.90	102,560.30
VOCELA4998P5	0002	CNTELA920120	CH82	DSCU64049621	PRINCE CONSTRUCTION CO INC	21,902.40	.00
VOUCHER TOTAL						102,560.30	102,560.30

DAILY LISTING OF FMS CHECKS BY ORIGINATING AGENCY (EXCLUDES DMCE)

RUN DATE: 2/13/96
CHECK ISSUE DATE: 2/13/96
AGENCY: LA

SAMPLE INQUIRY DEVELOPED BY USER LIAISON

VOUCHER ID	LINE	ENCUMBRANCE ID	CHECK STUB REFERENCE	DISBURSEMENT ID	PAYEE	VOUCHER AMOUNT	CHECK AMOUNT
VOCELA4998P6	0001	CNTELA930003	P.17 C088	DSCU64049606	DANIS INDUSTRIES CORP	147,047.00	147,047.00
VOUCHER TOTAL						147,047.00	147,047.00
VOCELA4998P7	0001	CNTELA930039	P.2 ORIG	DSCU64049603	CAPITOL PAVING OF DC,INC	63,784.83	63,784.83
VOUCHER TOTAL						63,784.83	63,784.83
VOCELA4999P1	0001	CNTELADFAZ67	P.458 C083	DSCU64049616	METCALF & EDDY PARTNERSHIP	24,174.90	25,131.28
VOCELA4999P1	0002	CNTELADFAZ67	C083	DSCU64049616	METCALF & EDDY PARTNERSHIP	956.38	.00
VOUCHER TOTAL						25,131.28	25,131.28
VOCELA4999P2	0001	CNTELADFAZ67	P.468ADC03	DSCU64049617	METCALF & EDDY PARTNERSHIP	3,953.32	27,143.21
VOCELA4999P2	0002	CNTELADFAZ67		DSCU64049617	METCALF & EDDY PARTNERSHIP	6,302.17	.00
VOCELA4999P2	0003	CNTELADFAZ67		DSCU64049617	METCALF & EDDY PARTNERSHIP	16,687.72	.00
VOUCHER TOTAL						27,143.21	27,143.21
VOCELA4999P5	0001	CNTELADFAZ67	P.47C A302	DSCU64049618	METCALF & EDDY PARTNERSHIP	2,790.64	2,790.64
VOUCHER TOTAL						2,790.64	2,790.64
VOCELA4999P6	0001	CNTELADFAZ67	P.47B80C03	DSCU64049619	METCALF & EDDY PARTNERSHIP	9,515.85	15,722.86
VOCELA4999P6	0002	CNTELADFAZ67	C083	DSCU64049619	METCALF & EDDY PARTNERSHIP	237.86	.00
VOCELA4999P6	0003	CNTELADFAZ67		DSCU64049619	METCALF & EDDY PARTNERSHIP	5,969.15	.00
VOUCHER TOTAL						15,722.86	15,722.86
VOCELA50Z0P1	0001	ORDELA600333	11172	DSCU64049675	COMPUTER TECHNOLOGY INC	964.00	964.00
VOUCHER TOTAL						964.00	964.00
VOCELA50Z0P3	0001	ORDELA500886	3Z042R	DSCU64049654	ABSTRACT INC	210.46	210.46
VOUCHER TOTAL						210.46	210.46
VOCELA50Z0P4	0001	ORDELA600402	014218	DSCU64049671	ATLANTIC MACHINERY INC	152.40	152.40
VOUCHER TOTAL						152.40	152.40
VOCELA50Z0P5	0001	ORDELA600013	12693	DSCU64049637	IDEAL ELECTRICAL SUPPLY CORP	6,497.50	6,497.50
VOUCHER TOTAL						6,497.50	6,497.50
VOCELA50Z0P6	0001	ORDELA641604	13123	DSCU64049638	IDEAL ELECTRICAL SUPPLY CORP	13,490.00	13,490.00
VOUCHER TOTAL						13,490.00	13,490.00
VOCELA50Z0P7	0001	ORDELA600430	169733	DSCU64049604	CEM CORP	157.66	157.66
VOUCHER TOTAL						157.66	157.66
VOCELA50Z0P8	0001	ORDELA600359	165M98005	DSCU64049677	EASTMAN KODAK COMPANY	420.34	420.34
VOUCHER TOTAL						420.34	420.34
VOCELA50Z0P9	0001	ORDELA600439	165M98003	DSCU64049678	EASTMAN KODAK COMPANY	121.08	343.99
VOCELA30Z0P9	0002	ORDELA600439	165M98002	DSCU64049678	EASTMAN KODAK COMPANY	106.00	.00
VOCELA50Z0P9	0003	ORDELA600439	165M98004	DSCU64049678	EASTMAN KODAK COMPANY	116.91	.00
VOUCHER TOTAL						343.99	343.99

RUN SORT: RRPCD100 LA

DAILY LISTING OF FMS CHECKS BY ORIGINATING AGENCY (EXCLUDES DMCE)

REPORT PAGE 14
REPORT ID: RRPCD100

RUN DATE: 2/13/96
AGENCY: LA

CHECK ISSUE DATE: 2/13/96

SAMPLE INQUIRY DEVELOPED BY USER LIAISON

VOUCHER ID	LINE	ENCUMBRANCE IO	CHECK STUB REFERENCE	DISBURSEMENT ID	PAYEE	VOUCHER AMOUNT	CHECK AMOUNT
VOCELA5021P1	0001	ORDELA600006	0009	DSCU64049610	HARDY & SONS TRUCKING INC.	205,120.11	205,120.11
VOUCHER TOTAL						205,120.11	205,120.11
VOCELA5021P2	0001	ORDELA600385	17240	DSCU64049676	BAY SCALE CO	127.50	805.50
VOCELA5021P2	0002	ORDELA600385	17205	DSCU64049676	BAY SCALE CO	186.00	.00
VOCELA5021P2	0003	ORDELA600385	17239	DSCU64049676	BAY SCALE CO	492.00	.00
VOUCHER TOTAL						805.50	805.50
VOCELA5021P3	0001	ORDELA600383	5119697	DSCU64049599	BELL & HOWELL CO INC	210.00	210.00
VOUCHER TOTAL						210.00	210.00
VOCELA5021P4	0001	ORDELA600381	15016	DSCU64049679	HAINES AND COMPANY	380.00	387.74
VOCELA5021P4	0002	ORDELA600381	15016	DSCU64049679	HAINES AND COMPANY	7.74	.00
VOUCHER TOTAL						387.74	387.74
VOCELA5021P5	0001	ORDELA600425	1268286	DSCU64049672	ALLSTATE LEASING	203.77	203.77
VOUCHER TOTAL						203.77	203.77
VOCELA5021P6	0001	ORDELA600529	1170	DSCU64049648	CPF CORP	12,629.81	12,629.81
VOUCHER TOTAL						12,629.81	12,629.81
VOCELA5021P7	0001	ORDELA600529	1194	DSCU64049649	CPF CORP	12,629.81	12,629.81
VOUCHER TOTAL						12,629.81	12,629.81
VOCELA5021P8	0001	ORDELA600529	1146	DSCU64049650	CPF CORP	12,629.81	12,629.81
VOUCHER TOTAL						12,629.81	12,629.81
VOCELA5021P9	0001	ORDELA500545	12539	DSCU64049639	IDEAL ELECTRICAL SUPPLY CORP	1,189.20	1,189.20
VOUCHER TOTAL						1,189.20	1,189.20
VOCELA5023P1	0001	CNTELAOCF303	P.21	DSCU64049608	ENGINEERING SCIENCE	28,145.15	28,145.15
VOUCHER TOTAL						28,145.15	28,145.15
VOCELA5028P2	0001	CNTELAOFA267	P.450 CO#3	DSCU64049620	METCALF & EDDY PARTNERSHIP	7,887.87	14,206.00
VOCELA5028P2	0002	CNTELAOFA267	CO#3	DSCU64049620	METCALF & EDDY PARTNERSHIP	6,318.13	.00
VOUCHER TOTAL						14,206.00	14,206.00
VRRELA4984P1	0001			DSCU64049600	C A STATE TEACHERS RETIREMENT	5,917.16	5,917.16
VOUCHER TOTAL						5,917.16	5,917.16
VRRELA4985P2	0001			DSCU64049609	GEORGETOWN UNIVERSITY	4,364.68	4,364.68
VOUCHER TOTAL						4,364.68	4,364.68
VTRELA5044P1	0001			DACU64049625	MINIFRED DONALSON	253.86	253.86
VOUCHER TOTAL						253.86	253.86
VTRELA5044P2	0001			DACU64049611	HORACE JONES	34.08	34.08
VOUCHER TOTAL						34.08	34.08

RUN SORT: RRPCD100 LA

RUN DATE: 2/13/96
AGENCY: LA

DAILY LISTING OF FMS CHECKS BY ORIGINATING AGENCY (EXCLUDES DMCE)
CHECK ISSUE DATE: 2/13/96

SAMPLE INQUIRY DEVELOPED BY USER LIAISON

VOUCHER ID	LINE	ENCUMBRANCE ID	CHECK STUB REFERENCE	DISBURSEMENT ID	PAYEE	VOUCHER AMOUNT	CHECK AMOUNT
VTRELA5044P3	0001			0ACU64049624	MILLIAMS RUMSEY JR.	201.61	201.61
VOUCHER TOTAL						201.61	201.61
AGENCY TOTAL						2,159,579.19	2,159,579.19

RUN SORT: RRPC0100 LA

RUN DATE: 2/14/96
AGENCY: LA

DAILY LISTING OF FMS CHECKS BY ORIGINATING AGENCY (EXCLUDES DMCE)
CHECK ISSUE DATE: 2/14/96

SAMPLE INQUIRY DEVELOPED BY USER LIAISON

VOUCHER ID	LINE	ENCUMBRANCE ID	CHECK STUB REFERENCE	DISBURSEMENT ID	PAYEE	VOUCHER AMOUNT	CHECK AMOUNT
VADELA4867P4	0001			DACU64049710	MCGRAW-HILL INC	2,902.90	2,902.90
VOUCHER TOTAL						2,902.90	2,902.90
AGENCY TOTAL						2,902.90	2,902.90

VOUCHER ID	LINE	ENCUMBRANCE ID	CHECK STUB REFERENCE	DISBURSEMENT ID	PAYEE	VOUCHER AMOUNT	CHECK AMOUNT
VOCELAYZ05P1	0001	CNTELA92006B	868786	DSCU64049494	LEEDS AND NORTHRUP	54,054.00	71,023.63
VOCELAYZ05P1	0002	CNTELA92006B	868786	DSCU64049494	LEEDS AND NORTHRUP	16,969.63	.00
VOUCHER TOTAL						71,023.63	71,023.63
VOCELA4916P3	0001	ORDELA600353	107457-58	DSCU64049489	J & K DISTRIBUTORS INC	104,885.15	104,885.15
VOUCHER TOTAL						104,885.15	104,885.15
VOCELA4917P4	0001	ORDELA600009	BP3103-107	DSCU64049487	C&E SERVICES INC OF WASH	12,885.85	12,885.85
VOUCHER TOTAL						12,885.85	12,885.85
VOCELA4917P5	0001	ORDELA600012	LCP-160	DSCU64049488	CHEMICAL ENGINEERING SPECIALTY	35,499.60	35,499.60
VOUCHER TOTAL						35,499.60	35,499.60
VOCELA4917P7	0001	ORDELA640216	107464-465	DSCU64049490	J & K DISTRIBUTORS INC	126,643.00	126,643.00
VOUCHER TOTAL						126,643.00	126,643.00
VOCELA4917P8	0001	ORDELA640216	107456-463	DSCU64049491	J & K DISTRIBUTORS INC	137,297.60	137,297.60
VOUCHER TOTAL						137,297.60	137,297.60
VOCELA4917P9	0001	ORDELA640216	107467	DSCU64049492	J & K DISTRIBUTORS INC	62,492.10	62,492.10
VOUCHER TOTAL						62,492.10	62,492.10
VOCELA4936P4	0001	ORDELA500018	12631	DSCU64049504	IDEAL ELECTRICAL SUPPLY CORP	14,364.00	14,364.00
VOUCHER TOTAL						14,364.00	14,364.00
VOCELA4936P5	0001	ORDELA500522	12469	DSCU64049505	IDEAL ELECTRICAL SUPPLY CORP	20,673.00	20,673.00
VOUCHER TOTAL						20,673.00	20,673.00
VOCELA4979P1	0001	ORDELA600002	04-1100BP	DSCU64049496	YHC AD AND SOIL INC	138,834.11	138,834.11
VOUCHER TOTAL						138,834.11	138,834.11
VOCELA4979P2	0001	ORDELA600001	1110A011	DSCU64049493	JONES & ARTIS BIO GRO BEVARD	680,469.60	680,469.60
VOUCHER TOTAL						680,469.60	680,469.60
VOCELA4979P3	0001	ORDELA600005	11-01	DSCU64049517	FRANKLIN NATIONAL BANK FOR URB	8,024.09	8,024.09
VOUCHER TOTAL						8,024.09	8,024.09
VOCELA4979P4	0001	ORDELA600005	10-06	DSCU64049518	FRANKLIN NATIONAL BANK FOR URB	14,093.95	14,093.95
VOUCHER TOTAL						14,093.95	14,093.95
VOCELA4979P5	0001	ORDELA600005	10-04	DSCU64049519	FRANKLIN NATIONAL BANK FOR URB	21,599.35	21,599.35
VOUCHER TOTAL						21,599.35	21,599.35
VOCELA4979P6	0001	ORDELA600005	10-05	DSCU64049520	FRANKLIN NATIONAL BANK FOR URB	18,297.16	18,297.16
VOUCHER TOTAL						18,297.16	18,297.16
VOCELA4979P7	0001	ORDELA600005	11-03	DSCU64049521	FRANKLIN NATIONAL BANK FOR URB	25,964.25	25,964.25
VOUCHER TOTAL						25,964.25	25,964.25

RUN SORT: RRPCD100 LA REPORT PAGE 18

DAILY LISTING OF FMS CHECKS BY ORIGINATING AGENCY (EXCLUDES DMCE) REPORT ID: RRPCD100

RUN DATE: 2/12/96 CHECK ISSUE DATE: 2/12/96

AGENCY: LA SAMPLE INQUIRY DEVELOPED BY USER LIAISON

VOUCHER ID	LINE	ENCUMBRANCE ID	CHECK STUB REFERENCE	DISBURSEMENT ID	PAYEE	VOUCHER AMOUNT	CHECK AMOUNT
VOCELA4979P8	0001	ORDELA400005	11-02	DSCU64049522	FRANKLIN NATIONAL BANK FOR URB	15,932.41	15,932.41
VOUCHER TOTAL						15,932.41	15,932.41
VOCELA4983P4	0001	ORDELA540008	42767	DSCU64049555	MARYLAND ENVIRNTL SV	31,023.23	31,023.23
VOUCHER TOTAL						31,023.23	31,023.23
VOCELA4987P6	0001	CNTELADCF300	60019026	DSCU64049562	BLACK & VEATCH	8,764.26	10,206.75
VOCELA4987P6	0002	CNTELADCF300	60019026	DSCU64049562	BLACK & VEATCH	1,442.49	.00
VOUCHER TOTAL						10,206.75	10,206.75
VOCELA4992P1	0001	CNTELAIMA001	88187	DSCU64049495	WASHINGTON SUBRBN SNTRY COMM	652,316.00	1,085,922.00
VOCELA4992P1	0002	CNTELAIMA001	88187	DSCU64049495	WASHINGTON SUBRBN SNTRY COMM	433,606.00	.00
VOUCHER TOTAL						1,085,922.00	1,085,922.00
AGENCY TOTAL						2,636,130.83	2,636,130.83

RUN SORT: RRPC0100 LA

RUN DATE: 2/12/96
AGENCY: LA

DAILY LISTING OF FMS CHECKS BY ORIGINATING AGENCY (EXCLUDES DMCE)
CHECK ISSUE DATE: 2/12/96

REPORT PAGE 19
REPORT ID: RRPC0100

SAMPLE INQUIRY DEVELOPED BY USER LIAISON

VOUCHER ID	LINE	ENCUMBRANCE ID	CHECK STUB REFERENCE	DISBURSEMENT ID	PAYEE	VOUCHER AMOUNT	CHECK AMOUNT
FINAL TOTALS						8,719,035.69	8,719,034.70

RUN SORT: RRPC0100 LA

RUN DATE: 2/21/96
AGENCY: LA

DAILY LISTING OF FMS CHECKS BY ORIGINATING AGENCY (EXCLUDES OMCE)
CHECK ISSUE DATE: 2/21/96

SAMPLE INQUIRY DEVELOPED BY USER LIAISON

VOUCHER ID	LINE	ENCUMBRANCE ID	CHECK STUB REFERENCE	DISBURSEMENT ID	PAYEE	VOUCHER AMOUNT	CHECK AMOUNT
VMSELA4128P7	0001		M.RICHARDS	DACU64050826	STRAYER COLLEGE	1,450.00	1,450.00
VOUCHER TOTAL						1,450.00	1,450.00
AGENCY TOTAL						1,450.00	1,450.00

RUN SORT: RRPCD100 LA

RUN DATE: 2/21/96
AGENCY: LA

DAILY LISTING OF FMS CHECKS BY ORIGINATING AGENCY (EXCLUDES DMCE)
CHECK ISSUE DATE: 2/21/96

SAMPLE INQUIRY DEVELOPED BY USER LIAISON

VOUCHER ID	LINE	ENCUMBRANCE ID	CHECK STUB REFERENCE	DISBURSEMENT ID	PAYEE	VOUCHER AMOUNT	CHECK AMOUNT
FINAL TOTALS						2,369,294.63	2,369,294.63

RUN SORT: RRPC0100 LA

DAILY LISTING OF FMS CHECKS BY ORIGINATING AGENCY (EXCLUDES DMCE)

CHECK ISSUE DATE: 2/22/96

RUN DATE: 2/22/96
AGENCY: LA

SAMPLE INQUIRY DEVELOPED BY USER LIAISON

VOUCHER ID	LINE	ENCUMBRANCE ID	CHECK STUB REFERENCE	DISBURSEMENT ID	PAYEE	VOUCHER AMOUNT	CHECK AMOUNT
VOCELA4917P2	0001	ORDELA600352	95355	DACU64051225	B&B SERVICES INC	23,814.00	23,814.00
VOUCHER TOTAL						23,814.00	23,814.00
VOCELA4917P3	0001	ORDELA600352	95356	DACU64051226	B&B SERVICES INC	23,414.40	23,414.40
VOUCHER TOTAL						23,414.40	23,414.40
VOCELA4939P1	0001	ORDELA600004	0007	DACU64051227	HARDY & SONS TRUCKING INC.	157,208.17	157,208.17
VOUCHER TOTAL						157,208.17	157,208.17
AGENCY TOTAL						204,436.57	204,436.57

RUN SORT: RRPC0100 LA

DAILY LISTING OF FMS CHECKS BY ORIGINATING AGENCY (EXCLUDES DMCE)

REPORT PAGE 63
REPORT ID: RRPC0100

RUN DATE: 2/15/96
AGENCY: LA

CHECK ISSUE DATE: 2/15/96

SAMPLE INQUIRY DEVELOPED BY USER LIAISON

VOUCHER ID	LINE	ENCUMBRANCE ID	CHECK STUB REFERENCE	DISBURSEMENT ID	PAYEE	VOUCHER AMOUNT	CHECK AMOUNT
VOCELA4905P1	0001	CNTELADCA309	P.I3 16070	DACU64049863	PEER CONSULTANTS INC	23,605.32	23,605.32
VOUCHER TOTAL						23,605.32	23,605.32
VOCELA4905P2	0001	CNTELADCF309	P.1416116	DACU64049864	PEER CONSULTANTS INC	10,735.54	10,735.54
VOUCHER TOTAL						10,735.54	10,735.54
VOCELA4937P1	0001	ORDELA600312	9608181	DACU64049860	BTG INC	9,263.74	9,263.74
VOUCHER TOTAL						9,263.74	9,263.74
VOCELA4938P4	0001	ORDELA600004	0008	DACU64049862	HARDY & SONS TRUCKING INC.	158,927.98	158,927.98
VOUCHER TOTAL						158,927.98	158,927.98
VOCELA4965P5	0001	ORDELA600327	JAN 95	DSCU64050087	MANAMAKER TERMITE&PEST CONTROL	1,215.00	1,215.00
VOUCHER TOTAL						1,215.00	1,215.00
VOCELA4975P4	0001	CNTELACFA279	P.66 C085	DACU64049861	COLE-SIEDLER	11,823.52	11,823.52
VOUCHER TOTAL						11,823.52	11,823.52
VRRELA0624C1	0001			DACU64049899	CHAS. H. TOMPKINS CO.	24,622.27	35,351.81
VRRELA0624C1	0002			DACU64049899	CHAS. H. TOMPKINS CO.	10,729.54	.00
VOUCHER TOTAL						35,351.81	35,351.81
AGENCY TOTAL						250,922.91	250,922.91

RUN SORT: RRPC0100 LA

DAILY LISTING OF FMS CHECKS BY ORIGINATING AGENCY (EXCLUDES DMCE)

REPORT PAGE 360
REPORT ID: RRPCD108

RUN DATE: 2/23/96
AGENCY: LA

CHECK ISSUE DATE: 2/23/96

SAMPLE INQUIRY DEVELOPED BY USER LIAISON

VOUCHER ID	LINE	ENCUMBRANCE ID	CHECK STUB REFERENCE	DISBURSEMENT ID	PAYEE	VOUCHER AMOUNT	CHECK AMOUNT
VMIELA5034P1	0001			DACU64052350	IMPREST FUND CASHIER,LA-IF-95	125.38	444.06
VMIELA5034P1	0002			DACU64052350	IMPREST FUND CASHIER,LA-IF-95	153.03	.00
VMIELA5034P1	0003			DACU64052350	IMPREST FUND CASHIER,LA-IF-95	7.00	.00
VMIELA5034P1	0004			DACU64052350	IMPREST FUND CASHIER,LA-IF-95	31.41	.00
VMIELA5034P1	0005			DACU64052350	IMPREST FUND CASHIER,LA-IF-95	10.73	.00
VMIELA5034P1	0006			DACU64052350	IMPREST FUND CASHIER,LA-IF-95	25.02	.00
VMIELA5034P1	0007			DACU64052350	IMPREST FUND CASHIER,LA-IF-95	5.71	.00
VMIELA5034P1	0008			DACU64052350	IMPREST FUND CASHIER,LA-IF-95	85.78	.00
VMIELA5034P1	0009			DACU64052351	IMPREST FUND CASHIER,LA-IF-95	20.93	113.32
VMIELA5034P1	0010			DACU64052351	IMPREST FUND CASHIER,LA-IF-95	14.79	.00
VMIELA5034P1	0011			DACU64052351	IMPREST FUND CASHIER,LA-IF-95	49.00	.00
VMIELA5034P1	0012			DACU64052351	IMPREST FUND CASHIER,LA-IF-95	58.60	.00
VOUCHER TOTAL						557.38	557.38
VMSELA4965P7	0001		214615	DACU64056548	SAFETY-KLEEN CORP	291.00	291.00
VOUCHER TOTAL						291.00	291.00
VMSELA4965P8	0001		692091	DACU64056549	SAFETY-KLEEN CORP	309.00	309.00
VOUCHER TOTAL						309.00	309.00
VMSELA4965P9	0001		ES55370	DACU64056532	HARRIS/3M DOCUMENT PROD INC	1,196.22	1,196.22
VOUCHER TOTAL						1,196.22	1,196.22
VMSELA5011P6	0001		1540799	DACU64052358	MILLIPORE CORPORATION	430.38	430.38
VOUCHER TOTAL						430.38	430.38
VMSELA5022P6	0001		23606	DACU64055793	COMPUTER PRODUCTS INC	175.00	175.00
VOUCHER TOTAL						175.00	175.00
VMSELA5022P7	0001		41103010	DACU64054866	BRANCH OFFICE SUPPLY CO INC	424.15	424.15
VOUCHER TOTAL						424.15	424.15
VMSELA5036P1	0001		01772237	DACU64052360	OCE BUSINESS SYSTEMS INC	878.76	878.76
VOUCHER TOTAL						878.76	878.76
VOCELAA41650	0001	ORDELA640607	83200	DSCU64055879	INTELICOM USA INC	7,966.40	7,966.40
VOUCHER TOTAL						7,966.40	7,966.40
VOCELAA41690	0001	ORDELA543328	15077	DACU64D56119	ADVANCED COMPUTER CONCEPTS	79.00	79.00
VOUCHER TOTAL						79.00	79.00
VOCELA4964P3	0001	ORDELA500803	133533	DACU64052870	WASHINGTON A COMPRESSOR RNTL=	252.09	252.09
VOUCHER TOTAL						252.09	252.09
VOCELA4965P1	0001	ORDELA600324	19212	DACU64055560	SEXTON A PEAKE INC	1,449.00	1,449.00
VOUCHER TOTAL						1,449.00	1,449.00
VOCELA4965P2	0001	ORDELA600022	93988	DACU64055804	TECHNITRUX, INC.	1,375.00	1,375.00
VOUCHER TOTAL						1,375.00	1,375.00

RUN SORT: RRPC0100 LA

DAILY LISTING OF FMS CHECKS BY ORIGINATING AGENCY (EXCLUDES DMCE)

RUN DATE: 2/23/96 CHECK ISSUE DATE: 2/23/96

AGENCY: LA

SAMPLE INQUIRY DEVELOPED BY USER LEAISON

VOUCHER ID	LINE	ENCUMBRANCE ID	CHECK STUB REFERENCE	DISBURSEMENT ID	PAYEE	VOUCHER AMOUNT	CHECK AMOUNT
VOCELA4965P3	0001	ORDELA600415	ES7007	DACU64056534	HARRIS/3M DOCUMENT PROD INC	492.00	492.00
VOUCHER TOTAL						492.00	492.00
VOCELA4965P4	0001	ORDELA54250A	10101	DACU64054861	TRICON CHEMICAL CORPORATION	728.85	728.85
VOUCHER TOTAL						728.85	728.85
VOCELA4998P8	0001	CNTELA950005	P.6 ORIG	DSCU64052347	DANIS INDUSTRIES CORP	282,002.40	282,002.40
VOUCHER TOTAL						282,002.40	282,002.40
VOCELA4999P4	0001	CNTELA0CF267	P.47 ORIG	DSCU64052355	METCALF & EDDY PARTNERSHIP	7,082.55	113,979.60
VOCELA4999P4	0002	CNTELA0C267A	CO#1	DSCU64052355	METCALF & EDDY PARTNERSHIP	28,098.34	.00
VOCELA4999P4	0003	CNTELA0CF267		DSCU64052355	METCALF & EDDY PARTNERSHIP	16,292.19	.00
VOCELA4999P4	0004	CNTELA0CF267		DSCU64052355	METCALF & EDDY PARTNERSHIP	1,800.94	.00
VOCELA4999P4	0005	CNTELA0C267A	CO#1	DSCU64052355	METCALF & EDDY PARTNERSHIP	8,799.64	.00
VOCELA4999P4	0006	CNTELA0C?67A	CO#1	DSCU64052355	METCALF & EDDY PARTNERSHIP	8,865.21	.00
VOCELA4999P4	0007	CNTELA0CF267		DSCU64052355	METCALF & EDDY PARTNERSHIP	20,048.47	.00
VOCELA4999P4	0008	CNTELA0CF267		DSCU64052355	METCALF & EDDY PARTNERSHIP	22,992.26	.00
VOCELA4999P4	0009	CNTELA0C267A	CO#1	DSCU64052356	METCALF & EDDY PARTNERSHIP	5,013.38	61,515.95
VOCELA4999P4	0010	CNTELA0CF267		DSCU64052356	METCALF & EDDY PARTNERSHIP	27,754.45	.00
VOCELA4999P4	0011	CNTELA0CF267		DSCU64052356	METCALF & EDDY PARTNERSHIP	8,804.50	.00
VOCELA4999P4	0012	CNTELA0CF267		DSCU64052356	METCALF & EDDY PARTNERSHIP	19,943.62	.00
VOUCHER TOTAL						175,495.55	175,495.55
VOCELA5011P1	0001	ORDELA600357	33478790	DACU64056464	METTLER INSTRUMENT CORPORATION	464.00	464.00
VOUCHER TOTAL						464.00	464.00
VOCELA5011P8	0001	ORDELA600317	1134003	DACU64056593	OCE BUSINESS SYSTEMS, INC	570.00	570.00
VOUCHER TOTAL						570.00	570.00
VOCELA5011P9	0001	ORDELA600310	941530	DACU64056456	PITNEY BOWES INC	1,312.00	1,476.00
VOCELA5011P9	0002	ORDELA600314	942861	DACU64056456	PITNEY BOWES INC	164.00	.00
VOUCHER TOTAL						1,476.00	1,476.00
VOCELA5012P2	0001	ORDELA600325	038745	DACU64052599	PERKIN ELMER CORP	594.15	594.15
VOUCHER TOTAL						594.15	594.15
VOCELA5012P3	0001	ORDELA600325	035264	DACU64052600	PERKIN ELMER CORP	1,782.45	1,782.45
VOUCHER TOTAL						1,782.45	1,782.45
VOCELA5012P4	0001	ORDELA600304	036508	DACU64052601	PERKIN ELMER CORP	784.76	784.76
VOUCHER TOTAL						784.76	784.76
VOCELA5022P2	0001	ORDELA600393	6141IN	DACU64053955	CAPITAL SERVICES & SUPFLIES,	340.00	340.00
VOUCHER TOTAL						340.00	340.00
VOCELA5022P3	0001	ORDELA600362	9639190	DACU64052508	FISHER SCIENTIFIC COMPANY	909.54	909.54
VOUCHER TOTAL						909.54	909.54
VOCELA5022P4	0001	ORDELA600440	14068	DACU64055291	FUTURE NET CORP	1,432.00	1,432.00
VOUCHER TOTAL						1,432.00	1,432.00

RUN SORT: RRPCD100 LA

DAILY LISTING OF FMS CHECKS BY ORIGINATING AGENCY (EXCLUDES DMCE)

REPORT PAGE 362
REPORT ID: RRPCD100

RUN DATE: 2/23/96
AGENCY: LA

CHECK ISSUE DATE: 2/23/96

SAMPLE INQUIRY DEVELOPED BY USER LIAISON

VOUCHER ID	LINE	ENCUMBRANCE ID	CHECK STUB REFERENCE	DISBURSEMENT ID	PAYEE	VOUCHER AMOUNT	CHECK AMOUNT
VOCELA5022P5	0001	ORDELA600437	1195AB	DACU64054952	DATA CAPTURE TECHNOLOGIES	570.00	1,425.00
VOCELA5022P5	0002	ORDELA600437	1295AC	DACU64054952	DATA CAPTURE TECHNOLOGIES	855.00	.00
VOUCHER TOTAL						1,425.00	1,425.00
VOCELA5028P1	0001	CNTELA0015J3	P.52 CO#3	DACU64052353	JOHNSON C C AND ASSOCIATES INC	375.00	375.00
VOUCHER TOTAL						375.00	375.00
VOCELA5032P1	0001	CNTELA880068	P.83 ORIG	DSCU64052342	A.S. MCGAUGHAN CO., INC.	18,555.30	19,654.20
VOCELA5032P1	0002	CNTELA88008D	CO#131	DSCU64052342	A.S. MCGAUGHAN CO., INC.	1,098.90	.00
VOUCHER TOTAL						19,654.20	19,654.20
VOCELA5036P4	0001	ORDELA600416	528079	DACU64056457	PITNEY BOWES INC	204.00	204.00
VOUCHER TOTAL						204.00	204.00
VOCELA5036P5	0001	ORDELA600304	038908	DACU64052602	PERKIN ELMER CORP	784.76	784.76
VOUCHER TOTAL						784.76	784.76
VOCELA5036P6	0001	ORDELA600423	26403,491	DACU64055637	MARYLAND INDUSTRISL INC	1,613.25	1,613.25
VOUCHER TOTAL						1,613.25	1,613.25
VOCELA5036P7	0001	ORDELA600373	116630702	DACU64052813	JENKS INC	57.60	99.84
VOCELA5036P7	0002	ORDELA600373	116630703	DACU64052813	JENKS INC	42.24	.00
VOUCHER TOTAL						99.84	99.84
VOCELA5036P8	0001	ORDELA600366	BL2866,867	DACU64055932	NATIONAL SUPPLY COMPANY	360.50	360.50
VOUCHER TOTAL						360.50	360.50
VOCELA5036P9	0001	ORDELA600418	296451	DACU64052361	PITNEY BOWES INC	996.00	996.00
VOUCHER TOTAL						996.00	996.00
VOCELA5043P1	0001	CNTELA880158	P.FINAL	DACU64052363	SCHLOSSER W M CO INC	999.88	1,000.00
VOCELA5043P1	0002	CNTELA880158		DACU64052363	SCHLOSSER W M CO INC	.12	.00
VOUCHER TOTAL						1,000.00	1,000.00
VOCELA5043P2	0001	CNTELA880158	F.CLAIM	DSCU64052364	SCHLOSSER W M CO INC	300,000.00	300,000.00
VOUCHER TOTAL						300,000.00	300,000.00
VOCELA5043P3	0001	CNTELA930059	P.3 ORIG.	DSCU64052346	CAPITOL PAVING OF DC,INC	32,242.43	32,242.43
VOUCHER TOTAL						32,242.43	32,242.43
VOCELA5043P4	0001	CNTELA910035	P.20 ORIG	DSCU64052354	MCI CONSTRUCTORS INC	49,702.50	54,427.50
VOCELA5043P4	0002	CNTELA91035B	CO#7	DSCU64052354	MCI CONSTRUCTORS INC	225.00	.00
VOCELA5043P4	0003	CNTELA91035B	CO#11	DSCU64052354	MCI CONSTRUCTORS INC	4,500.00	.00
VOUCHER TOTAL						54,427.50	54,427.50
VOCELA5045P1	0001	CNTELADCF300	70021015	DACU64056641	BLACK & VEATCH	1,524.19	1,524.19
VOUCHER TOTAL						1,524.19	1,524.19
VOCELA5052P2	0001	ORDELA600405	91115	DACU64053867	ATLANTIC ELECTRIC SUPPLY CORP	960.26	1,090.58

RUN SORT: RRPCD100 LA

DAILY LISTING OF FMS CHECKS BY ORIGINATING AGENCY (EXCLUDES OMCE)

REPORT PAGE 363
REPORT ID: RRPCD100

RUN DATE: 2/23/96
AGENCY: LA

CHECK ISSUE DATE: 2/23/96

SAMPLE INQUIRY DEVELOPED BY USER LIAISON

VOUCHER ID	LINE	ENCUMBRANCE ID	CHECK STUB REFERENCE	DISBURSEMENT ID	PAYEE	VOUCHER AMOUNT	CHECK AMOUNT
VOCELA5052P2	0002	ORDELA600405	91426	DACU64053867	ATLANTIC ELECTRIC SUPPLY CORP	130.32	.00
VOUCHER TOTAL						1,090.58	1,090.58
VOCELA5052P3	0001	ORDELA600405	91866	DACU64053868	ATLANTIC ELECTRIC SUPPLY CORP	75.68	75.68
VOUCHER TOTAL						75.68	75.68
VOCELA5052P4	0001	ORDELA600429	165M98268	DACU64056400	EASTMAN KODAK COMPANY	79.00	272.34
VOCELA5052P4	0002	ORDELA600429	165M98269	DACU64056400	EASTMAN KODAK COMPANY	193.34	.00
VOUCHER TOTAL						272.34	272.34
VOCELA5052P5	0001	ORDELA600429	165M98366	DACU64056401	EASTMAN KODAK COMPANY	79.00	203.81
VOCELA5052P5	0002	ORDELA600429	165M98367	DACU64056401	EASTMAN KODAK COMPANY	124.81	.00
VOUCHER TOTAL						203.81	203.81
VOCELA5052P6	0001	ORDELA600429	165M02153	DACU64056402	EASTMAN KODAK COMPANY	174.69	253.69
VOCELA5052P6	0002	ORDELA600429	165MD0814	DACU64056402	EASTMAN KODAK COMPANY	79.00	.00
VOUCHER TOTAL						253.69	253.69
VOCELA5052P7	0001	ORDELA600020		DACU64055727	ATLANTIC TENT RENTAL	2,090.00	2,090.00
VOUCHER TOTAL						2,090.00	2,090.00
VOCELA5052P8	0001	ORDELA600397	135915	DACU64054111	ADDISON AUTO PARTS	449.37	449.37
VOUCHER TOTAL						449.37	449.37
VOCELA5057P3	0001	CNTELA0FA246	P.22 C081	DACU64052348	DAVID VOLKERT & ASSOCIATES INC	1,154.95	1,154.95
VOUCHER TOTAL						1,154.95	1,154.95
VOCELA5057P5	0001	CNTELADFA267	P48C083B4D	DACU64052357	METCALF & EDDY PARTNERSHIP	372.44	372.44
VOUCHER TOTAL						372.44	372.44
VRRELA4985P2	0001			DACU64052349	GEORGETOWN UNIVERSITY	270.00	270.00
VOUCHER TOTAL						270.00	270.00
VRRELA5025P1	0001			DACU64036278	ARTHUR CALVIN	1,267.34	1,267.34
VOUCHER TOTAL						1,267.34	1,267.34
VRRELA5025P3	0001			DACU64055463	LAW OFFICE OF JEFFREY MADEL	1,185.61	1,185.61
VOUCHER TOTAL						1,185.61	1,185.61
VRRELA5025P4	0001			DACU64055110	ANNIE R. LAVINE	19.01	19.01
VOUCHER TOTAL						19.01	19.01
VRRELA5025P5	0001			DACU64052341	A.P. SHAW UNITED METHODIST CHU	2,199.76	2,199.76
VOUCHER TOTAL						2,199.76	2,199.76
VRRELA5026P1	0001			DACU64052345	BRITISH GOVERNMENT ACCT	344.16	344.16
VOUCHER TOTAL						344.16	344.16
VRRELA5027P1	0001			DACU64052352	JOHN WHITE	762.88	762.88
VOUCHER TOTAL						762.88	762.88

RUN SORT: RRPCD100 LA

DAILY LISTING OF FMS CHECKS BY ORIGINATING AGENCY (EXCLUDES DMCE)

REPORT PAGE 364
REPORT ID: RRPCD100

RUN DATE: 2/23/96
AGENCY: LA

CHECK ISSUE DATE: 2/23/96

SAMPLE INQUIRY DEVELOPED BY USER LIAISON

VOUCHER ID	LINE	ENCUMBRANCE ID	CHECK STUB REFERENCE	DISBURSEMENT ID	PAYEE	VOUCHER AMOUNT	CHECK AMOUNT
VRRELA5027P2	0001			DACU64056203	BEVERLY ANTOPOL	20.08	20.08
VOUCHER TOTAL						20.08	20.08
VRRELA5027P3	0001			DACU64052362	POTOMAC PROPERTY MGMT	132.63	132.63
VOUCHER TOTAL						132.63	132.63
VRRELA5027P4	0001			DACU64052343	ADRIANE AQUILERA	192.14	192.14
VOUCHER TOTAL						192.14	192.14
VRRELA5027P5	0001			DACU64055871	JAMES C. SUMA	14.34	14.34
VOUCHER TOTAL						14.34	14.34
VRRELA5042P1	0001			DACU64055396	HYUNG KIM	99.30	99.30
VOUCHER TOTAL						99.30	99.30
VRRELA5042P2	0001			DACU64055349	MARY MATTHEWS	754.08	754.08
VOUCHER TOTAL						754.08	754.08
VRRELA5042P3	0001			DACU64052344	AUSTRIAN RADIO & TV	37.28	37.28
VOUCHER TOTAL						37.28	37.28
VRRELA5042P4	0001			DACU64052472	ESTATE OF BERTHA T DONAHUE	233.20	233.20
VOUCHER TOTAL						233.20	233.20
VRRELA5048P1	0001			DACU64052359	NAILA AL-SOMAYEL	183.56	183.56
VOUCHER TOTAL						183.56	183.56
VRRELA5061P1	0001			DACU64052365	1700 KALORAMA L.P.	2,278.39	2,278.39
VOUCHER TOTAL						2,278.39	2,278.39
AGENCY TOTAL						913,118.37	913,118.37

Mr. DAVIS. What is the status of the upgrade of Blue Plains to a 370-million-gallon-per-day capacity?

Mr. KING. We are on schedule. We think we will be completed with that on July 31st of this year.

Mr. DAVIS. What would you consider the condition and status of the Blue Plains facility? Do you believe it could be better maintained and that part of the shortfall in the number of employees you have has hindered that? Do you have any strategies to improve maintenance?

Mr. KING. Yes. We believe that certain capital improvements and certain additional maintenance programs and preventive maintenance programs would aid in keeping the plant operating as it should, as the crown jewel of the District of Columbia. And we have begun a number of emergency procurements to get services, as well as parts, to get some of the facilities up and running. I know that I have made a personal effort to monitor that. We meet every morning at 8:15 and we decide what we—what happened yesterday and what we will be able to do today.

I think we had about 27 sedimentation basins down last week. At the end of the day, we had about 10 down. Those are the kinds of things that we have been able to do. We will be doing some procurements here in the next couple of weeks that will allow us to get some additional parts and other contractors, to get all our sedimentation basins up and running.

Mr. DAVIS. Do you have enough chemicals on hand?

Mr. KING. Enough chemicals on hand. In fact, last night I signed a pebble lime contract, so that would be our long-term contract for that. That was the main one I was having problems with during last winter and spring. So we are in good shape on that.

Mr. DAVIS. Was the replacement of the Blue Plains manager part of your improvement program?

Mr. KING. We decided that we needed a change in leadership, and so we made those decisions.

Mr. DAVIS. I will take that as a yes. What is the condition and status of the sewer collectors?

Mr. KING. We think and agree with the Environmental Protection Agency that they are in pretty good shape. As with anything that has been in the ground as long as some of our sewer collectors, there are some areas that need some work and we are, we have a consultant now on board to develop a plan for us to survey those.

Mr. DAVIS. We would be interested in what your ballpark cost would be when you get that in.

Mr. KING. We will, once we get that, we will let you know.

Mr. DAVIS. Let me turn to the water system. Why are so many users exempt from paying water bills? Do you have an estimate of the revenue forgone from such exemptions, and is there any willingness to examine whether some or all of these exemptions should be done away with in light of the tremendous need of the District for more revenue?

Mr. KING. There are three classes of institutions that either get free or reduced water-sewer. One is some churches and charitable organizations, they have an allowance, and that is 33 accounts. And in 1995, that was $1.5 million.

Nonprofits get a 50-percent writeoff; that is 80 accounts, and that was $404,000 in 1995.

And of course we write off 100 percent of the District's municipal buildings, and that was $17.7 million, 981 accounts.

Mr. DAVIS. So that is a transfer that would otherwise be a general fund expense?

Mr. KING. Exactly.

Mr. DAVIS. Is it a separate water fund that is transferred from your water fund? Is it a change in accounts basically?

Mr. KING. Yes.

Mr. DAVIS. Are these moneys put into a separate enterprise fund? I don't understand what the $17 million is.

Mr. KING. When the new authority is established, they will be able to—they will be able to create policies as to this area that they would like. This is a policy——

Mr. DAVIS. It is a snapshot today?

Mr. KING. Yes.

Mr. DAVIS. And you are flexible in terms of how we work these issues out in the future?

Mr. KING. There is provision in the legislation for dealing with this.

Mr. DAVIS. Who sets the water rates for the aqueduct and how are they determined?

Mr. KING. Actually the head of the Corps of Engineers makes recommendations to the Mayor, and the Mayor either approves or disapproves. Basically that is the number we put in our budget.

Mr. DAVIS. Generally does the Mayor approve the recommendations?

Mr. KING. My understanding is the Mayor generally approves the recommendations.

Mr. DAVIS. Are there in fact constant violations of environmental standards being found in the District, talking about the water now? Can you describe the nature and extent of these violations? They were testified to earlier. I wondered if you could characterize them.

Mr. KING. No. I can agree with the Environmental Protection Agency on that, too. There have been—several instances have been noted. Any time we violate any of the standards, EPA is notified and if it is a violation that requires public notification, the public is notified.

The September 1993, the December 1993, we have talked about; last November, there was the one in southwest Washington. There haven't been many. We do, as I say, about 212 samples daily. So there are not widespread violations on the water side.

Mr. DAVIS. Let me ask a question about that. I think you are aware there are many environmental groups that charge more violations would be found in the District, but that you deliberately overtest to bring the exceedance rate below the standard. Do you agree with that?

Mr. KING. No. Because I think, from statistics, if I sampled more, I might find more violations, I would think. On the other side, the sample—actually, the aqueduct does the samples for us and they sample the amount that is required for the population that we have. When we have tests which show we have higher levels, obvi-

ously we have to go back and retest to ensure that those samples, that those tests were accurate.

But, no, we have not been oversampling. I believe in 1993 there were more samples taken than were required, and I believe the aqueduct has stopped that.

Mr. DAVIS. Could you describe to me the differences, between what you are exceeding versus actual violations?

Mr. KING. What happens, you have a standard that you are held to and you take your samples. If you come up above that, then you have to take some remedial action. In some cases, it is flushing. In some cases, it is boiled water alerts and what have you. But there have not been widespread problems. We have isolated problems.

Again, one of the things that we are doing with our consultants, Camp, Dresser & McKee, is looking at a better sampling plan because I firmly believe what we are doing is testing the internal integrity of people's plumbing. We are not testing our water system.

Mr. DAVIS. That is fine. Let me ask, on the flushing, are you now following the standard procedure on flushing the system?

Mr. KING. Yes, we are flushing the whole system at least once a year. Obviously, we flush more in warm weather than we do when it is cold. We have got crews dedicated to that.

Mr. DAVIS. What about the biofilm problem? What are you doing about that problem? Is it caused by some of the past practices?

Mr. KING. The flushing program is what we have been using that. Also, again, our consultant will be coming with a plan of action for that.

Mr. DAVIS. Do you have a price tag on what it would take to make the Washington aqueduct a modern facility?

Mr. KING. I am going to leave that up to the aqueduct. That is their facility. They know more about it than I do.

Mr. DAVIS. We talked before about the water distribution system. I had asked the EPA the question about the distribution system in the city, what problems it has, how much it costs to fix it. Do you have any kind of fixation on the costs it would take?

Mr. KING. When we look at the water distribution system, as I said, a lot of it is old. Some of it predates the Civil War. Only about 120 miles of it is, was put in after 1960. So as we can tell, a lot of it is old. But all of it is not bad even when it is old; it is isolated parts of it. And in some areas where we have unlined cast iron pipe, we are getting a lot of buildup there. Those need to be——

Mr. DAVIS. Do the neighbors in those areas know where they are having problems versus the ones that do not? Do you have any kind of a map that shows you where you have a weaker distribution system or an older distribution system versus——

Mr. KING. Yes, we have maps, but just because it is older or newer doesn't mean it is good or bad.

Mr. DAVIS. You can't tell really until a problem occurs in some cases?

Mr. KING. Yes. And in some cases, when we have identified problems, we have gone in with capital programs to replace those lines. In fact, a recent line we just replaced was T Street, Northwest, an older line, and we just completed that replacement. And we are working on North Capitol Street now. We tend to do these as we can in conjunction with major transportation projects.

Mr. DAVIS. Anything else you would like to add?

Mr. KING. No, we are at your disposal. Any other questions you might have, let us know.

Mr. DAVIS. Ms. Norton has a question.

Ms. NORTON. I would just like more information on parties who are exempt from paying water bills. You indicated that there were 80 nonprofits.

Let me ask my first question first. Under what authority have these exemptions occurred, congressional authority or District of Columbia law?

Mr. KING. District of Columbia law.

Ms. NORTON. District of Columbia law provides that some or all nonprofits and churches shall be exempt?

Mr. KING. I think that they have to apply for that and I don't have that whole process in my head right now. I can get you the specifics on that.

Ms. NORTON. Is that typical of other jurisdictions?

Mr. KING. I am trying to remember. Other jurisdictions do either discount or write off in certain instances. I don't know if it is exactly the same. But other jurisdictions do write off certain, or discount certain accounts, depending on what they do.

Ms. NORTON. You said——

Mr. KING. Again, we are looking at 80 accounts that total $400,000. I dare say there are a number of nonprofits in the District of Columbia that the Congress exempts from paying property tax to the District of Columbia. So I assume this kind of falls in the same kind of category.

Ms. NORTON. That is why I asked you if it was District of Columbia law or if it was congressionally mandated.

Mr. KING. Let me research—OK, I am told that it is both. Perhaps it is both because Howard University and Soldiers Home exemptions are provided by congressional approval.

Mr. DAVIS. We will let Ms. Norton sponsor a bill to make Howard University pay for the water.

Ms. NORTON. Let me go on the record, even as to churches, it is one thing to have your land exempt and especially when there are so many churches; it is quite another thing to say that I won't even pay for water I drink. I will make no contribution whatsoever, even when a city is down and out, to what resources I use and must use.

I know it is not a lot of money, but I am impressed that 33 churches have this. I want to know why 33 churches would have it and not other churches.

Mr. KING. I will get that information for you. This is a standard process.

Mr. DAVIS. You are here to answer questions. We appreciate your being forthcoming. I would just note that once you get an enterprise fund going, everybody has to pay in.

Mr. KING. It would be a problem with bondholders if we kept this practice——

Ms. NORTON. I understand in the good old days—when the city was in a better position, I am sure that is when it came into law.

One more notation for the record, Mr. Chairman. That is that, as I understand it, the Mayor's most recent budget plan calling for 10,000, a reduction of 10,000 jobs over the 4-year period, there was

some concern in the city about what that means. When we break it down, the city is almost or will shortly be at 5,000. I understand that included—and I am asking this question to see if I am right in this—included in the 10,000 would be privatization of the employees of Blue Plains, which would take a large number off, thereby leaving a fairly small number——

Mr. KING. Not necessarily privatization. We are not excluding that, but when they go to the authority, then they, those employees are transferred to the authority and off the District payroll.

Ms. NORTON. So whether it would be privatization or independent authority, it would be off the District's? Of course, the District will still have to pay its fair share of whatever it costs, but they would not be carried on District payroll?

Mr. KING. No. I do not understand the fair cost.

Mr. DAVIS. The city would still have to pay; the city still has sewer bills they have to pay.

Mr. KING. Yes, yes.

Ms. NORTON. That is all I am saying.

Mr. DAVIS. But in terms of actually talking about downsizing city government, if it is really an enterprise fund, and not part of your general fund budget, that is the part that is fiscally impacted, are not these enterprise zones?

Mr. KING. But all employees, all FTE's are counted against our total.

Mr. DAVIS. I would just opine from here, having run a government not quite as large as the city, but the second largest county budget in the country, that it is apples and oranges when you start going into enterprise zones and cutting people.

Mr. KING. You are absolutely right.

Mr. DAVIS. I am not sure it is the smart thing to do.

Mr. KING. It does not help your general fund cause.

Mr. DAVIS. Thank you very much. You have been very forthcoming, and we look forward to hearing from you again. Thank you.

Our next panel is Tom Jacobus, who is chief of the Washington aqueduct for the U.S. Army Corps of Engineers. I especially appreciate your willingness to work with this subcommittee in such a cooperative way.

It is the policy of this committee to swear in.

[Witness sworn.]

Mr. DAVIS. Try to keep your statement under 10 minutes, and then we will move right to the questions.

STATEMENT OF TOM JACOBUS, CHIEF OF THE WASHINGTON AQUEDUCT, U.S. ARMY CORPS OF ENGINEERS

Mr. JACOBUS. Mr. Chairman and members of the subcommittee, I appreciate the opportunity to appear before this subcommittee today to discuss the operation of the Washington aqueduct.

I am Tom Jacobus, chief of the Washington aqueduct division. The Washington aqueduct is operated by the U.S. Army Corps of Engineers. Its name is taken from the aqueduct structure completed in 1863 from Great Falls to Georgetown. The Army designed and built the original system as a result of congressional action in 1853.

Over the last 143 years, the water treatment system has been expanded and improved. I have brought a chart showing in blue the present service area of the Washington aqueduct. Shown in red is the location of our facilities. Today there are two major treatment plants, Dalecarlia and McMillan, several reservoirs and one large pumping station, as well as two intakes on the Potomac River, one at Great Falls and one at Little Falls.

In addition to providing potable water to the District of Columbia distribution system, the Washington aqueduct division supplies water to Arlington County and to the city of Falls Church, VA.

The District of Columbia receives about 75 percent of the daily production. Arlington National Cemetery, the Pentagon, and National Airport also receive water from the Washington aqueduct Division.

The Washington aqueduct division currently employees 245 people. They are all Federal civil service employees. Operations and maintenance activities undertaken by Washington aqueduct are essentially all conducted in house. Architectural engineering support is a combination of in-house and contract work.

Washington aqueduct division operates an in-house chemical and biological laboratory which is certified by the U.S. Environmental Protection Agency. This laboratory supports the treatment plants and, under an agreement with the District of Columbia, collects and analyzes water samples from their distribution system.

There are approximately 70 sites throughout the city which are tested weekly for bacteria. Additionally, there are other sites from which samples for periodic chemical analyses are drawn. Our laboratory also analyzes water samples from Arlington County distribution system.

Funding for operations and improvement at Washington's aqueduct comes from revenues generated by the sale of water. No public funds support Washington aqueduct division.

Intense public attention was focused on the Washington aqueduct division in December 1993 when EPA determined that an increase in turbidity at the Dalecarlia plant posed a potential health risk. Fortunately, this turbidity violation did not place the public in danger. We know the public was greatly inconvenienced by the precautionary boil-water advisory, and we regret that.

As a result of this incident, many issues were raised about the safety of the water being produced at the plant. Internal and external performance evaluations looked at both operating procedures and the water treatment process. Where shortcomings in procedures were found, we made improvements. Over the last 2 years, those procedural changes have measurably improved the quality of the water.

We have installed sophisticated digital supervisory control and data acquisition systems at the Dalecarlia plant. Design of a similar modern system for the McMillan plant is complete and ready for procurement. This enhancement will allow operators and supervisors to quickly spot trends and take corrective action.

Other improvements will add new capabilities to the process. Disinfection is an example. Both plants now use chlorine as a disinfectant agent. This process is effective at killing bacteria, but the dosages required for safe operation of the distribution system

produce significant quantities of disinfection byproducts. We are designing a new disinfection process which will lower the quantity of disinfection byproducts while maintaining active disinfection.

The chloramination process, a combination of ammonia and chlorine, will also assist in the inactivation of biofilms in the distribution system. Many of the projects under design or under study will be very expensive to construct and will significantly increase the operating costs. Our continuing objective is to provide a safe, reliable supply of water meeting all standards at reasonable cost.

Under the current pay-as-you-go concept for capital improvements, the wholesale customers are concerned about how they will fund these necessary improvements. Washington aqueduct division is working with EPA region III and our wholesale customers to determine how to dispose of the solids generated in the sedimentation basins. The discharge of these solids into the Potomac River is permitted under our national—under our current National Pollution Discharge Elimination System permit, which has been administratively extended since May 1994 at its former limits. The proposed limits would essentially prohibit discharge of these solids into the river.

Our wholesale customers have asked EPA to postpone issuance of a new permit until further engineering evaluation of possible alternatives can be accomplished. While this issue is being resolved, we are confident that the plants can continue to produce high quality, safe water.

The staff at Washington aqueduct division works very closely with the District of Columbia Department of Public Works. There is daily contact between our chief of water operations and the water operations managers and the Water and Sewer Utility Administration.

Recently, EPA region III contracted for a sanitary survey of the entire District system, including the Washington aqueduct division's production and storage facilities. We are working with the District of Columbia to implement the recommendations that apply to us.

Operations at Washington aqueduct are affected by the financial difficulties of our largest wholesale customer, the District of Columbia. Our status as a Federal entity means that the money we receive from our customers is treated as if it were public funds.

All of our contracting is in accordance with Federal acquisition regulations. Therefore, we are subject to the antideficiency statutes and cannot obligate funds we do not have. Further, we are statutorily restricted from mixing even temporarily other appropriations which may be made available to the Army to pay our employees or our suppliers.

This concludes the summary of my statement. I will be happy to respond to your questions.

[The prepared statement of Mr. Jacobus follows:]

COMPLETE STATEMENT OF
THOMAS P. JACOBUS
CHIEF, WASHINGTON AQUEDUCT DIVISION
BALTIMORE DISTRICT
U.S. ARMY CORPS OF ENGINEERS

BEFORE THE SUBCOMMITTEE ON THE
DISTRICT OF COLUMBIA
COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT
UNITED STATES HOUSE OF REPRESENTATIVES

ON THE OPERATION OF THE WASHINGTON AQUEDUCT

ROOM 2154, RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C.
FEBRUARY 23, 1996, 10:30 AM

Mr. Chairman and members of the Subcommittee, I appreciate the opportunity to appear before this subcommittee today to discuss the background, operation and status of the Washington Aqueduct.

The Washington Aqueduct is operated by the US Army Corps of Engineers. It is assigned to the Baltimore District. Daily operations of the Washington Aqueduct Division are conducted by the Baltimore District. The Division takes its name from the aqueduct structure completed in 1863 from Great Falls to Georgetown. The Army designed and built the original system as a result of Congressional action in 1853. Over the last 142 years, the water treatment system has been expanded and improved. Today, there are two major treatment plants (Dalecarlia and McMillan), several reservoirs, and one large pumping station as well as two intakes on the Potomac River -- one at Great Falls and one at Little Falls.

In addition to providing potable water to the District of Columbia distribution system, the Washington Aqueduct Division supplies water to Arlington County and the city of Falls Church, Virginia. The District of Columbia receives about 75 percent of the daily production. A portion of the water supplied to the District of Columbia is delivered outside of the District to Arlington Cemetery, the Pentagon, and National Airport. The federally-owned water mains in Virginia serving those retail customers and three of the eight

finished water storage reservoirs in the District of Columbia are the only parts of the distribution system that the Corps of Engineers is responsible to maintain.

Washington Aqueduct Division currently employs 245 people. They are all federal civil service employees. This is a dedicated highly motivated workforce that takes great pride in its responsibility to contribute to producing safe drinking water for the citizens of the District of Columbia and Northern Virginia. As an example of this dedication and commitment, operators and maintenance personnel stayed at the plants, rotating on duty, during the recent blizzard and flood periods to make sure that no gaps in shift coverage occurred. The quality and quantity of the finished water produced during this trying period did not deviate from high standards we have set for our operations. Operations and maintenance activities undertaken by Washington Aqueduct Division are essentially all conducted in-house. Architectural and engineering support is a combination of in-house and contract work. Other overhead support such as contracting, legal, and human resources is provided by the Baltimore District.

Washington Aqueduct Division operates an in-house chemical and biological laboratory which is certified by the United States Environmental Protection Agency. This laboratory supports the treatment plants and under an agreement with the District of Columbia collects and analyzes water samples from their distribution system. There are approximately 70 sites throughout the city which are tested weekly for bacteria. Additionally, there are other sites from which samples for periodic chemical analyses are drawn. This laboratory also analyzes water samples from the Arlington County distributions system and the federally-owned water mains in Virginia.

Funding for operations and improvements at Washington Aqueduct comes from revenues generated by the sale of water. The annual operating budget and capital improvement plan are submitted as a part of the District of Columbia Appropriation Bill. When Congress approves that bill, that authorizes execution of the Washington Aqueduct Division budget. The District of Columbia payment is made to the Washington Aqueduct Division from the District's Water and Sewer Enterprise Fund. No public funds support Washington Aqueduct Division.

Intense public attention was focused on Washington Aqueduct Division in December 1993 when EPA determined that an increase in turbidity at the Dalecarlia plant posed a potential health risk. Fortunately, this turbidity violation did not place the public in danger. We know the public was greatly inconvenienced by the precautionary boil water advisory, and we regret that. As a result of this incident, many issues were raised about the safety of the water

being produced at the plant and its ability to consistently produce safe water.

Several internal and external performance evaluations were conducted that looked at both operating procedures and the water treatment process. Where shortcomings in procedures were found, improvements were implemented. Over the last two years, those procedural changes have measurably improved the quality of the water. In terms of turbidity, the treatment plants are consistently producing water to a standard five times more stringent than EPA standards -- even during the remarkable Potomac River flooding in January. The quality of the water being produced at the treatment plants is excellent and more than meets all EPA standards.

There are improvements and changes in the treatment process on the horizon. Many of those improvements were under study and were programmed before the December 1993 incident. Several of the projects are being undertaken to comply with expected, future EPA regulations. The external assessment of the treatment process validated the on-going work while suggesting that additional process enhancements be evaluated for implementation.

We have installed sophisticated digital supervisory control and data acquisition systems at the Dalecarlia plant. Design of a similar, modern system to replace the aging equipment at the McMillan plant is complete and is ready for procurement. This enhancement will allow operators and supervisors to quickly spot trends and take corrective action. Where previously only aggregate filter performance was assessed, now at both plants every filter has a turbidity meter, a flow rate meter, and a head loss meter to allow operators and supervisors to evaluate individual filter performance. We have also purchased a particle counter system to add further detail to our knowledge of what is passing through the filters.

Many of the projects are designed to ensure that both the devices and machinery that make up the treatment, pumping, and storage process and the structures in which they are housed are appropriately maintained to ensure their continued reliable operation.

Some of the projects will add a new capability or process. Regulations often drive both the schedule and the design of these projects. Both plants use chlorine as the disinfection agent. This process is effective at killing bacteria, but the dosages required for safe operation of the distribution system produce significant amounts of a class of chemicals referred to as disinfection by-products. While these disinfection by-products are currently within the maximum limit allowed by EPA, we are moving to alter the disinfection process by

switching to a combination of ammonia and chlorine. This will lower the quantity of disinfection by-products while maintaining effective disinfection. This process has proved to work well in plants similar to ours. This chloramination process, as it is called, will also assist in inactivation of biofilm in the distribution systems.

Many of the projects under design or under study will be very expensive to construct and will significantly increase current operating costs. Our continuing objective is to provide a safe, reliable supply of water meeting, or more than meeting all standards at a reasonable cost. Under the current pay-as-you-go concept for capital improvements, the wholesale customers are concerned about how they will fund these necessary improvements.

Washington Aqueduct Division is working with EPA Region III and its wholesale customers to determine what the best near and long term solutions are to the disposal of the solids generated in the sedimentation basins. The discharge of these solids to the Potomac River is permitted under our current National Pollution Discharge Elimination System permit. This permit has been administratively extended since May 1994 at its former limits. The proposed permit would essentially prohibit discharge of these solids into the river. Our wholesale customers, who would have to pay for the construction and operation of the facilities required to process the solids and transport them off site, have asked EPA to postpone issuance of a new permit until further engineering evaluation of possible alternatives can be accomplished. While this issue is being resolved, we are keeping very close watch on the accumulation of these solids and are cleaning the basins frequently to ensure that the water getting to the filters has a very low turbidity. This practice increases the effectiveness of the filters and allows us to consistently stay substantially under the EPA standard for filtered water turbidity.

The staff at Washington Aqueduct Division works very closely with the District of Columbia Department of Public Works. There is daily contact between our chief of water operations and the water operations managers in the Water and Sewer Utility Administration. We provide the overnight results from the bacteriological sampling program and suggest where they should conduct flushing operations to combat biofilm in the distribution system. We make slight adjustments to the water chemistry as needed to account for temperature changes and biological activity in the distribution system. This is a dynamic process.

Washington Aqueduct Division owns and operates three of the storage reservoirs in the District of Columbia and operates one of the two large pumping

stations. Again, there is constant coordination to make sure the water is managed well.

Recently, EPA Region III contracted for a sanitary survey of the entire distribution system -- including the Washington Aqueduct Division's production and storage facilities. On the basis of that survey, the District of Columbia selected a contractor to assist in evaluating those recommendations for implementations. We are working with the contractor selected by the District of Columbia to implement the recommendations that apply to us.

Operations at Washington Aqueduct are affected by the financial difficulties of our largest wholesale customer -- the District of Columbia. Our status as a federal entity means that the money we receive in payment from the customers in exchange for water delivered is treated as if it were public funds. All of our contracting is in accordance with federal acquisition regulations. Therefore, we are subject to the anti-deficiency statutes and cannot obligate funds we do not have. Further, we are statutorily restricted from mixing -- even temporarily -- other appropriations which may be available to the Army to pay our employees or our suppliers.

This concludes my statement. I will be happy to respond to your questions.

Mr. DAVIS. OK. Thank you very much. I appreciate your being here. I will go first with a few questions.

First of all, let me ask you: Is the city up to date on its payments? And what has been the payment history, the payment review?

Mr. JACOBUS. Currently, we send payment requests monthly to the city. Our current request—the city is overdue $3.1 million in operating funds and $7.6 million in requests for capital funds.

Mr. DAVIS. How far overdue does that go? Is that 30 days, 60 days, or 90 days?

Mr. JACOBUS. Those are requests that were made in the months of January and February, sir.

Mr. DAVIS. OK. Have they paid everything through December, for example, as far as you know?

Mr. JACOBUS. They made a payment to bring up to date through that period of time. We work with them very closely on that.

Mr. DAVIS. Have they traditionally been a little slow on payments?

Mr. JACOBUS. Their payment record was absolutely immaculate until December 1994 with the current financial difficulties, and it's been sporadic since then.

Mr. DAVIS. Thank you.

What is the corps' understanding of the present water quality at the aqueduct, both in the raw water entering the plant and the treated water leaving the plant?

Mr. JACOBUS. Sir, the quality of the drinking water leaving the Washington aqueduct meets all drinking water standards. The quality of the water taken from the Potomac varies seasonally, but our plant manager and the treatment process can react to those changes in a way to produce a uniformly excellent quality of water regardless of those seasonal variations.

Mr. DAVIS. Do you think the water quality is improving, or is it deteriorating both from the incoming and the treated water?

Mr. JACOBUS. I noted that there is a seasonal change in the quality of the water coming into the plant. However, I can say without qualification that the quality of the finished water is improving, due to changes in the treatment techniques and continuing emphasis on operations and increasing management control.

Mr. DAVIS. Let me ask a question. The estimation of improvements that are needed to the aqueduct—and I understand you are under some pressure from the EPA on some of those improvements—do you have an estimation of the improvements needed and the cost of improvements at the aqueduct to try to bring it up to standard?

Mr. JACOBUS. I would like to categorize it. We have three categories of necessary improvements. The first category is renovation of existing facilities to assure their continued reliable operation. The second would be construction of new facilities which will be needed to incorporate advanced water treatment methods to meet known or expected future regulatory requirements. And the third category would be planning for facilities which may be needed to meet presently unobserved conditions in the raw water or, as yet, unspecified regulatory requirements.

Now, the first two categories, we have plans for facilities that would be constructed between now and the year 2002, and we value those improvements at about $315 million. Over the next few years, engineering studies and analysis will continue to define those future requirements so that we can sustain a delivery of a highquality drinking water product. The current estimate of that category 3 is about $119 million.

Mr. DAVIS. What does it take to run it annually with the fees coming in?

Mr. JACOBUS. Our operations and maintenance budget for this year is $23 million.

Mr. DAVIS. OK. I know you are aware of some of the criticisms that various environmental groups have leveled against the aqueduct, and I would like you to respond to those charges. In particular, I note their concern that cryptosporidium is present in the raw water. Is that a concern to you?

Is there anything you or anyone else can do about it? As to eels and fish parts in the filters, is that an unusual occurrence here or in any other water system?

And although I know that it would be the same type of problem as zebra mussels, is this a factor worse than zebra mussels?

Mr. JACOBUS. We have never found cryptosporidium. And, I would like to also add to your question giardia, which is another organism. Neither cryptosporidium nor giardia have been found in our tests of the finished water. Never.

Mr. DAVIS. I had that down. I couldn't pronounce it so I didn't bring it up.

Mr. JACOBUS. Giardia and cryptosporidium are likely to be present in the raw water due to runoff in the watershed.

The laboratory techniques are often unable to determine precisely the amount and the viability of the organisms, cryptosporidium or giardia, that we take from the water samples. Certainly any potential health-threatening organisms in the raw or finished water, are of great concern to us.

Our strategy to deal with the threat of giardia and cryptosporidium is to manage the sedimentation and filtration in order to get the turbidity as low as we possibly can. We presently are five times better than the EPA standard on finished water turbidity.

As part of our continuing program to improve the water treatment process, we will be evaluating the effects of ozone as a disinfectant. Studies in other water systems have shown that ozone can be effective in the killing of giardia and cryptosporidium cysts.

We have screens to take the large debris out of the water at the inlets. Small fish or eels may get into the raw water reservoirs. Occasionally we find eels or fish parts on the upstream side of the filter media. This is not alarming nor remarkable. They are removed and disposed of. No pieces can physically pass through the filters, and any bacteria that may have been in their flesh is in the raw water anyway and will be killed in the disinfection process.

Zebra mussels are an operational concern as their presence could clog the intakes and restrict the flow of water. To date we do not have this problem. We are watching the river and educating our-

selves from the experience of others so that, if necessary, we will be able to deal with their presence.

Mr. DAVIS. Thank you very much.

Ms. Norton.

Ms. NORTON. Thank you very much, Mr. Chairman.

Mr. Jacobus, I am a little perplexed. I read in your testimony, in addition to providing potable water to the District of Columbia distribution system, the Washington aqueduct division supplies water to Arlington County and the city of Falls Church, VA, and then you brought a map which has Fairfax County on it.

Mr. JACOBUS. Yes, ma'am.

Ms. NORTON. You don't provide water to Fairfax County, do you?

Mr. DAVIS. I would be happy to answer that. Fairfax County, the parts that are shown on that map, and the town of Vienna, buy from Falls Church City. Falls Church has the relationship directly with the Corps of Engineers, and then they sell it, some would say, at a markup, to Fairfax County and Vienna water users. That's the way it works. It's about 200,000 people, I think.

Mr. JACOBUS. The law that established the operation of the Washington aqueduct provided for the Corps of Engineers to provide water to the citizens of the Capital City. In 1927 when the Dalecarlia plant was built, the capacity of that plant was placed to ensure the growth of the city of Washington. However, it was noted that there was additional capacity and the citizens of Arlington could be serviced lines were placed across—the Potomac River. Legislation was passed in 1927 to allow the Army to sell water from the aqueduct to Arlington County. In 1946, additional legislation was passed to allow the city of Falls Church. All that legislation was always restricted to the fact that the priority for the plant was to the city of Washington, of course.

Now, that was a very residential—I mean a very rural area in 1946 in that area of Fairfax County, and so those water lines at Falls Church extended out there were done under the appropriate legislative arrangements that allowed the water to be delivered to Falls Church.

So Mr. Davis is, of course, correct, that we have three customers, and when we bill Falls Church, they are paying for water that is subsequently delivered by them to Fairfax County.

Ms. NORTON. I see.

May I ask you about fecal coliform in our water. Is it true that the corps has stopped testing for fecal coliform in our water?

Mr. JACOBUS. We test for total coliforms, and then if we get a total coliform positive, we run through a process to test for the presence or absence of *E. coli*, because *E. coli* is the most severe and dangerous form of the coliform bacteria that could affect human health. So we do not specifically test for all species of fecal coliform, but the *E. coli* bacteria is a subclass of fecal, and we do test for that any time we get a coliform positive.

Ms. NORTON. What was the reason for this change?

Mr. JACOBUS. Because it gives us the ability to look at the most dangerous potential of human damaging organism, and there are other—there are many kinds of fecal coliforms which are not harmful to humans that come from other sources, and you can end up with false positive readings, and you can get to a point of unneces-

sary conditions where you—where the public can be alerted to a problem that really is not a public health threat.

That decision was made at the aqueduct about a year ago as we worked through our laboratory procedures. The Environmental Protection Agency is aware of those changes, and they are in compliance with the Code of Federal Regulations as pertains to coliform testing.

Ms. NORTON. I see. I had thought that the EPA had issued an acute violation notice based on the limited testing. Is that not the case? Does EPA approve of the decision that has been made?

Mr. JACOBUS. Yes, ma'am.

Ms. NORTON. Well, what does the acute violation notice pertain to?

Mr. JACOBUS. Acute violation is a combination of two successive positive findings, one of which has to be an *E. coli,* which is a subclass of a fecal coliform. So if you go out and make a test of the water and you test this sample today and you get a total coliform positive sample, that's an indication of something going on in the distribution system. But if it's total coliform positive you would then go out and test within 24 hours that sample, an upstream sample and a downstream sample, so you take three repeat tests.

If one of those three repeat tests comes back with a positive fecal *E. coli,* the combination of the original total coliform and the repeat sample *E. coli* finding will result in an acute violation and would be reported immediately to the EPA, and public health officials would make a determination of what action would be taken.

Ms. NORTON. I understand.

Is anybody testing for lead in—lead contamination in the distribution system?

Mr. JACOBUS. The District of Columbia, under the lead and copper rule, completed a test about a year ago, and I do not believe they are currently testing. We would have to ask somebody from the Department of Public Works.

But that testing was done by the—by the water and sewer utility administration under the provisions of the water—of the lead and copper rule. Washington aqueduct is not testing for lead in the distribution system.

Ms. NORTON. Should it be?

Mr. JACOBUS. I don't believe so, ma'am.

Ms. NORTON. Why not?

Mr. JACOBUS. It is because we as a wholesaler of the water don't do things we are not asked to do. The reason we test the water in the District of Columbia distribution system for bacteria is because we have a contractual arrangement with the District of Columbia. When they had to exercise their responsibilities as a distribution system manager for the lead and copper rule, they went out and made those tests.

The tests came back over a period of time. The findings were such that they could suspend the testing, and they did. The conclusion was that there is not a significant problem throughout the distribution system that would require continued monitoring of that.

Now, let me just add one other thing. We are sensitive to how lead and copper can get into the water of the consumer at the point of service, and we are constantly evaluating the temperature and

the chemical composition, the pH and the corrosive nature of the water, so that as the water goes into the pipes it tends to plate out any material that is in the water on the pipes rather than aggressively scour the pipes.

So while we don't specifically test for it, our laboratory is monitoring the chemical composition of the water in such a way to ensure that we do not cause a leaching or a chemical aggressiveness in the pipes.

Ms. NORTON. Do you know whether the public is aware of the suspension of lead testing? Has anybody made the public aware of that?

Mr. JACOBUS. I don't want to propose to be an expert in the lead and copper rule. I will have to get you more information for the record on how that worked.

[The information referred to follows:]

United States Environmental Protection Agency | Office of Water 4601 | EPA 570/9-91-400 January 1995

EPA

Lead and Copper Rule

F•A•C•T•S•H•E•E•T

"Lead may leach into the water from some kinds of home plumbing."

The Lead and Copper Rule was published in the *Federal Register* on June 7, 1991. It became effective on December 7, 1992. This rule requires treatment when lead and/or copper in drinking water exceed certain levels.

Lead enters drinking water mainly from the corrosion of lead-containing household plumbing. Since lead and copper contamination generally occurs after water has left the water system, the best way for the water system operator to find out if customer water is contaminated is to test water that has come from a household faucet. This type of contamination can be prevented by controlling the corrosiveness of the water supply. If corrosion control is not sufficient, lead-containing materials within the control of the water system (such as lead service lines) may have to be replaced. At no time will a system have to replace a homeowner's pipes.

Action Levels

	MCLG (mg/L)	Action Level (mg/L)
Lead	0	0.015
Copper	1.3	1.3

Maximum Contaminant Level Goals (MCLG): Water systems should try to supply water with no lead and with no more than 1.3 milligrams of copper per liter (mg/L). These are *non-enforceable* health goals.

Action Levels: When the concentration of lead or copper reaches the action level in ten percent or more of the required samples, the water system is required to carry out the water treatment requirements of the rule. These *enforceable* treatment requirements are described below.

Monitoring Requirements

Lead/copper monitoring at high-risk homes.

Water systems must complete a materials evaluation of their distribution system and/or review other information to target homes that are at high risk of lead/copper (Pb/Cu) contamination. Monitoring is to be conducted *at the tap* in these homes, with the number of tap-sampling sites based on the population served. One sample is required at each site.

Monitoring Requirements

- **Number of Initial Sampling Sites**

System size	# at home taps for Pb/Cu	# within dist. for WQPs
>100,000	100	25
10,001-100,000	60	10
3,301-10,000	40	3
501-3,300	20	2
101-500	10	1
≤100	5	1

Additional monitoring for other water quality parameters (WQPs) affecting corrosion is required to optimize treatment and determine compliance with State lead/copper standards. Two types of systems must perform this monitoring under the following conditions:

- Large systems serving more than 50,000 persons, regardless of the lead/copper levels in tap samples.
- Smaller systems serving less than 50,000 persons, if either action level is exceeded in tap samples.

Two types of sampling sites are specified for this purpose:

- *Within* the distribution system, with the number of sites based on population served (sites may be same as for coliform sampling). Two samples are required from each site.
- Two samples at each *entry* point to the distribution system.

Monitoring Frequencies.

Initially, systems must collect home *tap* samples for lead and copper analysis and samples for other water quality parameters (WQPs) every six months. In systems that are required to install corrosion control treatment, follow-up samples for other WQPs must be taken from *within* the distribution system every six months, and from *entry* points to the distribution system every two weeks. Both the number of sampling sites and the frequency may be reduced if the action level is met or the system maintains optimal treatment.

Monitoring Requirements

- **Frequency of Sampling**

Monitoring Period	Pb/Cu Home taps	WQPs within dist.	WQPs at entry to dist.
Initial	6 mo.	6 mo.	6 mo.
After corrosion treatment	6 mo.	6 mo.	2 wk.
Reduced			
–Conditional	1 yr.	6 mo.	2 wk.
–Final	3 yr.	3 yr.	2 wk.

Water Treatment Requirements

Four types of action are required to remedy high lead levels, and two are required for high levels of copper. Once a system finds that more than 10 percent of all tap monitoring results exceed the action levels, the system must begin to carry out the first three actions.

1. **Corrosion control treatment.** Systems are required to first monitor, and depending on its size, conduct corrosion control studies and recommend a corrosion control treatment method to the State. Upon the approval of the State, treatment is to be installed and demonstrated to be effective according to criteria set by the State. Treatment options are pH and alkalinity adjustment, calcium adjustment and silica or phosphate-based corrosion inhibition.
2. **Source Water Treatment.** Systems must first monitor their source water for the presence of lead/copper, and, if necessary, recommend a treatment method to the State. Treatment options are ion exchange, lime softening, reverse osmosis and coagulation/filtration. Once the State approves a treatment, systems will have 2 years to install it and 1 more year to conduct follow-up monitoring. If treatment is not required, or if the treated water does not exceed the maximum lead/copper levels permitted by the State, source water monitoring will be synchronized with the system's other monitoring schedules.
3. **Public Education.** Public education materials developed by EPA will inform customers about the health effects of lead, and explain what they can do at home to reduce their exposure. The system must begin delivering the materials within 60 days of the lead action level exceedance. The materials include public service announcements to be submitted periodically to television and radio stations, and other pamphlets to be delivered directly to customers, newspapers, hospitals, etc. This step is not required if the water system exceeds only the copper action level.

IF a system continues to exceed the lead action level after installing optimal corrosion control and source water treatment, the fourth action must be taken:

4. **Lead Service Line Replacement.** Lead service lines that contribute more than 0.015 mg/L to tap water lead levels must be replaced. A system must replace seven percent of its lead lines each year, and must replace all lines within 15 years.

Analytical Requirements

- **Tap Samples**
  - Lead
  - Copper
- **WQPs**
  - pH
  - Alkalinity
  - Calcium
  - Conductivity
  - Orthophosphate*
  - Silica **
  - Temperature

* Only if a phosphate-based inhibitor is added.
**Only if a silicate-based inhibitor is added.

Compliance Deadlines

NOTE: assumes action levels exceeded in initial monitoring

Action	System Size: Large >50K	Medium 3,301-50K	Small ≤3,300
Begin monitoring	Jan92	Jul92	Jul93
Complete treatment study (if required by State)	Jul94	Jul95	Jul96
Recommend treatment to State			
• study not required-	N/A	Jan93	Jan94
• study required-	Jul94	Jul95	Jul96
Complete treatment installation			
• study not required-	N/A	Jul96	Jan98
• study required-	Jan97	Jan98	Jan99
Complete follow-up monitoring			
• study not required-	N/A	Jul97	Jan99
• study required-	Jan98	Jan99	Jan2000

For More Information

Call the Safe Drinking Water Hotline at: 1-800-426-4791.

Mr. JACOBUS. But the procedure was that during this period of time, you go out and you make a series of tests, and if the levels of those tests average to a certain amount, then you could suspend your testing because it costs a lot of money to make the tests. If you are not getting a result that is above the threshold for concern for health, then there's no requirement to continue the testing. I do not know if the Department of Public Works made any formal announcement of that program or not.

Ms. NORTON. If you bought water, as many people now do, would that water have been tested for lead?

Mr. JACOBUS. The bottled water, ma'am?

Ms. NORTON. Yes, boiled water, bottled water.

Mr. JACOBUS. If you were to buy bottled water—the source of lead is usually from the solder in the connections of the pipes.

Ms. NORTON. In the pipes themselves?

Mr. JACOBUS. In the pipes themselves. The amount of lead, which might be in the raw water, in the river or the well or wherever that water might be coming from that was to be bottled and drunk, lead content would be monitored, I am sure, as part of the quality control at the water bottling plant.

But at the household faucet the source of the lead and the copper in the water is the action of the corrosiveness of the water in the pipes that would then pull those elements out of the pipe or out of the solder.

Ms. NORTON. Your answer, of course, explains why many people feel they have to buy water today, precisely because the water you get out of the spigot has to come through those pipes and no one can guarantee what in the world it is picking up from the pipes. Is that true?

Mr. JACOBUS. Our monitoring program—we have 70 sites throughout the city where we do biological tests—evaluates the city owned water mains, not the residential pipes.

Ms. NORTON. Who chooses those sites?

Mr. JACOBUS. Those—the particular ones we are using right now were done cooperatively with the District of Columbia, the water and sewer utility administration. Our people made some recommendations. Even though it's clearly the District of Columbia's distribution system, we made some recommendations, and we ran all that by EPA region III, and that became the testing pattern for the District.

The way we do it is, there are about 70 of them. There are three routes. Three times a week we go out, and we save a day in case something weathered away or something happened. We go out and get additional samples for the repeat samples that might be required.

In addition to those biological sites, there are a series of chemical analysis sites which are positioned out of the distribution system to look—to be as representative as possible. It is at those sites where we would take water samples and test them for a whole range of chemicals, as required by the Code of Federal Regulations, of things that we have to report to EPA.

Ms. NORTON. So sites are approved by EPA? Are they rotated?

Mr. JACOBUS. No, they are not rotated, because what we are looking for is sites that are out toward the ends of the dendritie

pattern or we are looking for representatives of conditions of high-speed water flow through very large mains and then out to sort of assess dead areas of the system where the water kind of ends up.

So we are trying to take a very evenhanded look at not only the worst possible but at what is really truly representative of what's going on out there in the distribution system.

And specifically, are they approved by EPA? I don't know. I know they were—EPA was—provided a copy, and whether they wrote a letter back saying this is an approved plan, I don't know.

Ms. NORTON. Thank you very much.

Thank you, Mr. Chairman.

Mr. DAVIS. Thank you very much. We appreciate your testimony.

I see Erik Olson has been waiting patiently.

I would now like to call our final panel: Mr. Erik Olson, the senior attorney for the Natural Resources Defense Council, a leading environmental organization and Dr. Peter Hawley, the medical director of the Whitman-Walker Clinic here in Washington.

Mr. Olson, we initially misspelled your name on the witness list and gave you a different title. I hope it was a promotion, but please accept our apology and gratitude for your presence and expert testimony.

Dr. Hawley, we are very familiar with the outstanding work being done by the Whitman-Walker Clinic, and I very much appreciate your willingness to share your knowledge and perspective with us.

As you have heard, it is the policy of this committee to swear any witnesses, so please rise with me and raise your hand.

[Witnesses sworn.]

Mr. DAVIS. Any written statement that you have will be made a part of the record.

Mr. Olson, if you could please proceed first with your statement, followed by Dr. Hawley. We would like it 10 minutes max, if possible. Everything will go into the record for this.

STATEMENTS OF ERIK OLSON, SENIOR ATTORNEY, NATURAL RESOURCES DEFENSE COUNCIL; AND PETER HAWLEY, M.D., MEDICAL DIRECTOR, WHITMAN-WALKER CLINIC

Mr. OLSON. Thank you, Mr. Chairman and Delegate Norton.

I am senior attorney with NRDC and the coordinator of the District of Columbia Area Water COP's, an alliance of over 20 local and national public health citizen, consumer, and other organizations.

There is a crisis of public confidence in the District of Columbia water supply. Many of you may have seen the city paper that just appeared that has this as a cover story about the water supply and some of the other problems with the District.

This has gradually resulted from a series of problems that have developed over the last several years, beginning in 1993 with the boil-water alerts, several strings of violations, near violations, and reports of serious deficiencies.

We have to ask ourselves why it is that in the Nation's Capital, the last—the last superpower of the world, so many residents have little or no confidence in the safety of the water.

There are so many repeated and documented problems with water quality and many vulnerable people who are being told by their physicians that they should boil their water. Our water supply and sewer systems should be a shining example to the rest of the Nation and the world of how to do things right.

Unfortunately, instead, they are examples of how to barely squeak along doing the minimum possible in constant threat of violating basic public health and environmental standards. If we continue to procrastinate, we are concerned that the already tenuous situation will deteriorate into a series of boil-water alerts, burst water mains, violations of chemical contamination standards, raw and partially treated sewage discharges and overflows, and substantial health threats. We are not there yet, but if we don't act we will be.

While the official line continues to be that the drinking water is safe, there is limited and decreasing public trust in these reassurances. Many area residents use bottled water, and immune-compromised people have been advised by medical professionals to always boil their water before consuming it. This creates very real hardships for low-income people and also for those who are frail and find it difficult to lug around the heavy water jugs.

Public concern about the District's water supply is well justified. The Washington aqueduct's two main treatment plants in the water distribution system are outdated and in serious need of repair, as well as improved operation and maintenance.

The basic water treatment technology of the corps and in some cases more than century-old water distribution system may have been state-of-the-art during Woodrow Wilson's time, but today they are in serious need of modernization. There have been modest efforts to upgrade the corps plants in recent years.

In addition, the corps's new management that was installed after the 1993 boiled-water alert has clearly made some strides in improving management and getting the most out of the existing plants. In addition, the city's new public works director, Larry King, has been more forthcoming about some of the problems with the District's distribution system. But much more needs to be done.

Modernization efforts that have been done so far are much like putting halogen headlights on a horse-drawn carriage. They may have made it a little safer and more modern, but they don't solve the basic underlying problems.

In addition, the failure of the corps and other local jurisdictions to inform and involve the public in decisionmaking have got to be remedied. Drinking water quality problems are persistent. The most publicized of these are the repeated findings of coliform, fecal coliform, and even *E. coli* bacteria.

No convincing explanation has been offered as to why fecal coliform and *E. coli* are found in our water. These findings are all the more troubling in light of repeated presumptive findings of cryptosporidium and giardia in the incoming raw, untreated water. If there's ever a breakdown in treatment, we could have a very serious health crisis on our hands indeed.

I would like to add that in Las Vegas, NV, today there was recently a cryptosporidium outbreak in a situation where they were repeatedly testing the water for cryptosporidium and they couldn't

find it. So it's not always an indication that you are not going to have a cryptosporidium outbreak just because you are not finding it in the water.

In addition, the chemical quality of the water is problematic. As has been noted earlier, the trihalomethane levels—these are chemicals that are linked to rectal, bladder, and other cancers and also to serious birth defects—are quite high in the District. In fact, they are hovering around an average of almost 100 parts per billion, which is the Federal standard. EPA has proposed to drop that standard to 80 and later to 40 parts per billion. We will not be able to meet that standard, either the 80 or the 40, without very substantial investment.

Our recent nationwide survey, in which we looked at about 150 water supplies across the country, found that the District was right at the top of the list in terms of trihalomethane contamination on average. These chemicals, created when inadequately pretreated waters, heavily chlorinated, can be very easily reduced with advanced treatment technologies. Also, the water tastes and smells better if you use these advanced technologies.

In addition, there have been elevated levels of lead in the District's water. This city's service lines that often are made out of lead contribute to the problem. The Corps of Engineers has a lead reduction program that's been proposed which has been sitting around at EPA for 18 months without approval or denial, and the suspension of lead testing is of grave concern. In fact, some of the early testing that was done that was the basis of the suspension suggests that in some areas of the city there are very high levels of lead. This is a particularly serious issue when there are young children and bottle-fed infants.

The corps consultants' 1994 conceptual plan for modernization suggested that several hundred million dollars in investments must be made to bring us up to state of the art or even to comply with future standards. However, far from adequate funding has been dedicated. It is because of this pay-as-you-go requirement that all system capital investments must be paid for by the customers as they are performed.

Imagine the quality of a house that you could buy if you had to pay cash for the home and couldn't borrow any money for it.

In addition, the June 1995 sanitary survey of the District's water system found numerous serious problems. Only some of them have begun to be addressed.

The Blue Plains Sewage Treatment Plant is also a serious concern of ours. Blue Plains was once widely touted as a national crown jewel, an example of state-of-the-art treatment. What once was a system that could comply with basic standards has been neglected and allowed to deteriorate. It poses real environmental and potential health risks.

Inadequately treated sewage can not only release microbes and parasites but it can also cause serious health risks and kill fish and ruin the local ecology. We remain quite concerned about deferred maintenance at the plant and the failure to adequately address problems such as combined sewer overflow.

We have adopted, as the District of Columbia Water COP's, eight principles for resolving these problems. One is that pollution

should be prevented rather than cleaned up after the fact. The second is that water treatment plants must be modernized. We must fix and maintain water and sewer pipes and reservoirs to assure lead service line replacement. We must have public accountability representation and the right to know about our water supplies. We urge fair water rates, including lifeline rates for low-income consumers and a progressive rate structure for large users of water, and polluters to pay their fair share.

We urge the protection of the health of all metro residents regardless of whether they are rich or poor and regardless of their race, ethnicity, or their health status.

In addition, we urge that we assure equitable allocation of water rights to area jurisdictions and respect for the sovereignty and the environment of all the metropolitan area.

We believe that any solution must ensure the implementation of these principles. Without taking a firm position, we believe that a regional solution to the problem that embodies the principles above, as well as the local government's sovereignty, and that includes full public participation and decisionmaking, is necessary.

We urge that there be public members appointed to any board that oversees the water supply and the sewage plant and/or that a formal citizen utility board similar to that that's adopted in many States for electric utilities be established to formally represent citizen interests.

Only with active public participation can government officials be assured of public credibility and support for modernization plans for the clearly necessary water rate increases.

I might add that many cities that try to very substantially increase water rates very quickly result in rate shock because they haven't described the problems to the constituency. It's very important to have public participation in the process or I think we can be assured that there will be serious rate shock.

There are also national legislative implications. The gutting of the Clean Water Act adopted by the House last year and some of the proposals to weaken Federal Safe Drinking Water Act health protection requirements that may come up as early as next month in the House Commerce Committee could make—set us back seriously. We urge all members of this committee to reject efforts to relax fundamental health and environmental protections.

In sum, we believe that the Nation's Capital can and must have the best state-of-the-art water, sewer, and pollution prevention programs built and maintained with full public participation and support that can serve as a model for the rest of the Nation and the world.

Thank you.

[The prepared statement of Mr. Olson follows:]

STATEMENT OF ERIK D. OLSON
SENIOR ATTORNEY,
NATURAL RESOURCES DEFENSE COUNCIL
AND

COORDINATOR,
DISTRICT OF COLUMBIA AREA
WATER CONSUMERS ORGANIZED FOR PROTECTION
("D.C. AREA WATER COPS")

The Natural Resources Defense Council (NRDC) is a non-profit public interest organization with over 170,000 members dedicated to protection of public health and the environment. I am a Senior Attorney with NRDC, and the Coordinator of the District of Columbia Area Water Consumers Organized for Protection ("D.C. Area Water COPs"), an alliance of over 20 local and national public health, citizen, consumer, environmental, religious, environmental justice, HIV/AIDS, and other organizations who have joined forces to seek stronger and more efficient protection of drinking and source water for the Washington metropolitan area. A list of the organizations participating in D.C. Area Water COPs is attached to this testimony. Thank you for providing us with the opportunity to testify today on the D.C. water and sewer systems.

Drinking Water Quality

There is a crisis of public confidence in the D.C. area's drinking water. This has gradually resulted from series of incidents, beginning with the two 1993 boil water orders, and continuing with a string of violations, near violations, and reports of serious deficiencies in the construction, operation and maintenance of the Corps of Engineers and the District's water treatment and distribution systems. Many of these problems are outlined in the attached NRDC report entitled THE TROUBLED D.C. DRINKING WATER SUPPLY: A PRELIMINARY REVIEW OF PROBLEMS (December, 1995).

We must ask ourselves, why is it that in the national capital of the last Superpower of the world, so many city residents have

little or no confidence in the water's safety, there are repeated and documented problems with water quality, and many vulnerable people are being told by their physicians that they should boil their water before they drink it?

The nation's capital's water supply and sewer system should be a shining example to the rest of the nation and the world of how to do things right. Instead, they are examples of how to barely squeak by doing the minimum possible, in constant threat of violating basic health and environmental standards. If we continue to procrastinate, and to defer maintenance and water and sewer system upgrades, we are concerned that the present already tenuous situation will deteriorate into a series of boil water alerts, burst water mains, violations of chemical contamination standards, raw and partially treated sewage discharges and overflows, and substantial health threats. We are not there yet, but if we don't act, we will be.

While the official line continues to be that our drinking water is "safe," there is limited and decreasing public trust in these reassurances. Many area residents use bottled water, and immune compromised people have been advised by medical professionals to *always* boil their water before consuming it. This creates very real hardship for many low-income people who have difficulty affording bottled water, and for already frail people who have to lug around heavy water jugs or suffer the inconvenience and problems associated with boiling their tap water.

Unfortunately, the public's lack of confidence in our drinking

water is well justified. The Corps of Engineers' Washington Aqueduct's two water treatment plants, its reservoirs, and the water distribution system owned by the District all are outdated and in serious need of upgrading, and improved operation and maintenance. The basic water treatment technology used by the Corps (coagulation and sedimentation, sand and crushed coal filtration, and chlorination), and our in some places more than century old distribution system, may have been state-of-the-art in Woodrow Wilson's time, but today they are in serious need of modernization.

It should be noted that there have been modest efforts to upgrade the Corps plants in the 70 or more years since they were built. In addition, the Corps' new management at the plant installed after the 1993 boil water alert has clearly made some strides in improving management and in getting the most out of the existing plants, with demonstrably better control of turbidity levels, for example. Moreover, the city's new public works director, Larry King, refreshingly has been more forthcoming about some of the problems with the district's distribution system than some of his predecessors.

But clearly much more must be done. The modernization efforts for the water treatment plants so far are much like putting halogen headlights on a horse-drawn carriage: they may make things a little safer and more modern, but they don't solve many of the underlying problems.

In addition, the failure of the Corps and the local

jurisdictions to inform and involve the public in decision making about our drinking water and sewer systems must be remedied. The public hearing on area drinking water that D.C. Area Water COPs has asked EPA to hold, and which we have informally learned has been granted by EPA (apparently to be on April 9, 1996), is only a beginning of this process.

Drinking water quality problems are persistent. The most publicized of these problems is the repeated findings of total coliform, fecal coliform, and sometimes E. Coli bacteria. While some officials have characterized these problems as merely localized and innocuous, the record demonstrates (see attached report) a pattern of system-wide coliform problems in customer taps and in treated water reservoirs. No convincing explanation has been offered as to why fecal coliform and E. Coli are found in the water.

These findings are all the more troubling in light of repeated presumptive findings of parasites like *Cryptosporidium* and *Giardia* in our raw untreated water, which suggest that if there is ever a breakdown in treatment, we could have a very serious health crisis on our hands.

In addition, the chemical quality of our water is problematic. We have a serious problem with high levels of Total Trihalomethanes (TTHMs), chemicals which have been linked in over a dozen studies of exposed people at various locations around the world to rectal, bladder, and other cancers, and which recent more preliminary studies have linked to serious birth defects.

According to Corps data, we are hovering at an average of about 97 to 99 parts per billion for these chemicals, with the enforceable standard at 100 parts per billion. EPA in 1994 formally proposed to cut the standard in two steps to 80 and later 40 parts per billion. Our recent nationwide study of large U.S. water systems, TROUBLE ON TAP (1995), found that D.C. has among the highest levels of TTHMs of any big water system in the nation. These chemicals, created when inadequately pre-treated water is heavily chlorinated for disinfection, can be reduced or eliminated through the use of so-called precursor removal technologies (like granular activated carbon), or a shift to an alternative disinfectant. The heavy chlorination of our water also causes the excessive chlorine taste and smell that has driven so many area residents to complain and to drink bottled water.

In addition, historically many areas of the District have had elevated levels of lead in the drinking water, generally from leaching of lead from the city's lead service lines, or in some cases leaching from household plumbing. While the Corps has proposed a lead reduction program through the use of corrosion inhibiters, EPA has sat on this plan for about 18 months without approving it, and in the mean time it appears that the District has suspended all lead testing of tap water. This is a particularly serious issue in households with young children and bottle-fed infants, the population at greatest risk.

The Corps' consultants' 1994 CONCEPTUAL PLAN FOR MODERNIZATION recommended several hundred million dollars in investment to enable

the system to become state-of-the-art today. Among the most important major upgrades needed are a shift to alternative disinfectants such as ozone and/or choramines, and the installation of granular activated carbon. However, far from adequate funding has been dedicated to implement this plan. This problem simply cannot be solved until the Corps is relieved of the "pay as you go" requirement that all system capital investments must be paid for by customers when they are performed. Imagine the quality of home most of us could buy if we had to pay for it in full in cash when we bought it.

In addition, a June, 1995 "sanitary survey" of the District's water distribution system found numerous serious problems with the operation and maintenance of these pipes and reservoirs. For example, a much more aggressive water flushing program, which some analogize to brushing your teeth, is necessary, as is an improved overall preventative maintenance and lead and corroded pipe replacement program, and a dead end looping program to avoid stagnant water that breeds potentially dangerous microbes. These problems are in serious need of immediate solution.

Blue Plains Sewage Treatment Plant

When it was built, Blue Plains was widely touted as a national crown jewel, an example of state-of-the-art sewage treatment. While some of these claims may have been exaggerated, it is clear that what once was a system that could comply with basic standards has been neglected and allowed to deteriorate to the point that it

poses real environmental and potential health risks. Inadequately treated sewage can not only release microbes and parasites in to the Potomac that may pose a serious health risk, but also can kill fish and ruin the local ecology.

In August, 1995, EPA warned that the troubled Blue Plains plant was in real danger of discharging essentially raw or seriously under-treated sewage into the river. The plant had deferred maintenance, failed to pay for important contract upkeep, run out of treatment chemicals, and experienced partial shutdowns. EPA ordered a series of actions to bring the Blue Plains plant back up to snuff, and said the District should restore the $80 million in water and sewer fees collected but deposited into the District's General Fund. We remain concerned that the deferred maintenance at the plant, and the failure to adequate address problems such as combined sewer overflow.

Goals for Our Water and Sewer Systems

The D.C Area Water COPs have identified the following goals for our water and sewer systems:

1. Pollution Prevention. Prevent pollution at the source (upstream) in order to protect public health and the environment, and save taxpayers money.

2. Water Treatment Plant Modernization. Upgrade and maintain the D.C. metro area drinking water and sewage treatment plants to provide state-of-the-art water treatment.

3. Fix and Maintain Water and Sewer Pipes, and Reservoirs, and Assure Lead Service Pipe Removal.

4. Public Accountability, Representation, and Right to Know. Citizens should be informed and fully involved in decision making about the sewage and drinking water systems.

6. **Fair Water Rates.** Lifeline rates for low income consumers and progressive rate structure requiring large users and large polluters to pay their fair share.

7. **Protect the Health of All Metro Residents.** The health of all communities, rich and poor, regardless of race or ethnicity, and of all people, including infants, children, pregnant women, elderly, HIV/AIDS patients, and other vulnerable people, must be protected and actively monitored.

8. **Assure the Equitable Allocation of Water Rights to Area Jurisdictions,** and respect the sovereignty and environment of all of the metropolitan area.

Proposed Institutional Solutions

Proposals have been advanced to help solve the water and sewer problems, including District-passed legislation to create a separate water and sewer authority in D.C. to control Blue Plains and the D.C. water distribution system, and a proposal for Fairfax County Water Authority to take over the Corps' Washington Aqueduct.

We believe that any solution must take ensure the implementation of the principles laid out above. Our first inclination, without taking a firm position, is that we favor a regional solution to this problem that embodies the principles enumerated above and respects all local governments' sovereignty, and that includes full public participation in decision making, including appointed public members on the board from local consumers, and/or a formal Citizen Utility Board, similar to those used in some states for electric utilities that are formally established to represent citizen interests and to give input into the decision making process. Only with such active participation can government officials be assured of public credibility and support for modernization plans and for the clearly necessary water

rate increases.

National Legislative Implications

It is also critical to recognize the importance of pending national legislation to the local water problems. The gutting of the Clean Water Act adopted last year by the House (H.R. 961) would only make matters worse by weakening federal water protections. In addition, water industry and other proposals to weaken the federal Safe Drinking Water Act health protection requirements, though not yet introduced in the House, may be taken up by the House Commerce Committee as early as next month. These bills could seriously erode federal standards and support that would help to improve the local drinking water and sewer systems. We urge all members of this Committee to reject efforts to relax these fundamental health and environmental protections.

Conclusion

We believe that the nation's capital can and must have the best, state-of-the-art drinking water, sewer, and pollution prevention systems, built and maintained with full public participation and support, that can serve as a model for the rest of the nation and the world.

THE TROUBLED D.C. DRINKING WATER SUPPLY: A PRELIMINARY REVIEW OF PROBLEMS DECEMBER 1995

The Natural Resources Defense Council (NRDC), through a series of Freedom of Information Act requests and other information gathering, has discovered a chronic and longstanding series of problems with the District of Columbia's[1] drinking water supply that pose very real threats to public health. We are awaiting additional information and public hearings to allow the painting of a more complete picture of these problems.

Our tap water quality problems are not limited to the now-familiar history of frequent "boil water" advisories. There have also been repeated serious violations and "near misses" of the U.S. Environmental Protection Agency's (EPA) health standards for bacteria and for "turbidity" (a measure of cloudiness that indicates the possible presence of pathogens and which interferes with effective disinfection). In addition, pathogens such as *Cryptosporidium* and *Giardia* have been found in our raw water; with the treatment problems we have experienced, the adequacy of removal is open to debate. Contributing to the problems are eels and dead fish parts that routinely are found in the treatment plants' filters. Moreover, serious questions have arisen about the presence of chemical contaminants, including lead and cancer-causing trihalomethanes in our tap water. Many of these problems have not been made public by the government.

Official reassurances about the safety of the water supply should be viewed with skepticism. Additional information must be gathered and analyzed, however, before a full accounting of the threats to our tap water is possible. A preliminary outline of the problems follows.

Boil Water Advisories, Bacterial Violations, and Turbidity Problems

1. *Boil Water Advisories.* There have been at least three recent "boil water" advisories issued. These include:

- o A November 1995 boil water advisory issued for part of S.W. Washington, D.C., triggered by fecal coliform bacteria.

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[1]When we speak of the "District of Columbia" water supply, we are discussing the water supplied by the Army Corps of Engineers' Dalecarlia and McMillan water treatment plants, which serve not only D.C., but also Arlington County, the City of Falls Church, National Airport, the Pentagon, and parts of Fairfax County and Maryland, via each of these locations' distribution systems. The District's government owns and operates the D.C. water distribution system of underground pipes, for example.

treatment plants), fecal coliform was found, and a repeat sample also found fecal coliform--an "acute" violation. It is unclear why no "boil water" alert was issued. (FOIA)

- o **October 1993:** an "acute" bacteria violation occurred in D.C., according to an internal EPA report. It is unclear why no boil water alert was issued. (FOIA)

- o **September 1993:** in D.C. an "acute" bacteria violation and maximum contaminant level violation occurred in D.C., according to internal EPA report. It is unclear why no boil water alert was issued. (FOIA)

- o **August 1993:** in Arlington, a violation of the Maximum Contaminant Level for coliform bacteria, according to internal EPA report. (FOIA)

- o **May-June 1993**: an "acute" fecal coliform bacteria violation in Washington, according to internal EPA report: It is unclear why no boil water alert was issued. (FOIA)

3. *Chronic Problems With "Turbidity."*

As noted above, turbidity is cloudiness in water that shows the ineffectiveness of water filtration and can indicate the presence of parasitic or other microorganisms such as *Cryptosporidium*. Turbidity also interferes with the effectiveness of disinfection. In Milwaukee, Wisconsin, for example, high turbidity levels were the only indication of a problem that water plant operators had at the time the outbreak of *Cryptosporidium* occurred.

In D.C., there have been chronic problems with turbidity in the water filtered by the Corps The December 1993 city-wide boil water advisory was caused by extremely high turbidity On numerous other occasions, the turbidity in our water has exceeded now-allowed levels established in EPA rules and water industry recommendations. The Corps' outside contractor reviewing the Corps' water treatment plants' performance found, in a 1994 report NRDC obtained under FOIA, numerous and repeated turbidity problems from 1990-1993. At times, turbidity levels were found at levels well in excess of EPA's allowable levels (EPA's current turbidity rule came into effect in mid-1993, so most or all of these apparently were not violations).

Since the December 1993 boil water alert, there still has been excessive turbidity in D.C.'s water, although apparently EPA's new but still lax turbidity standard has not been violated. Still, according to 1994-1995 data obtained under the Freedom of Information Act, the D.C. water routinely exceeds the industry-recommended standard (urged by the industry trade association the American Water Works Association, in order to reduce the risk of a *Cryptosporidium* or similar disease outbreak) of 0.1 NTU of turbidity. At times in 1994-1995, the D.C. water reached 10 times higher than that standard or worse.

include "fish remains that settle in the [filter] basins and are allowed to remain in the sludge for several months will decay and contribute to prefiltration chlorine demand and perhaps disinfection byproducts." In addition, "fish remains that are removed...will be return to the reservoirs. This process compounds potential problems" including attracting birds that defecate into the reservoirs. Ultimately, the Corps' contractor found, the "the presence of dead fish, fish fragments" and eels "will negatively affect the viewing public."

Chemical Contaminants

Several cancer-causing and other toxic chemicals have been found in our drinking water supply. Among those found are:

- *Lead*, found at levels ranging up to 68.7 parts per billion, or ppb. The EPA "action level" for lead is 15 ppb. Technically, however, it appears that since EPA allows up to 10 percent of the homes tested to exceed 15 ppb, there is now no violation. Reportedly, D.C "terminated" its lead testing in December 1994. We have sought additional information under FOIA.

- *Cancer-Causing Trihalomethanes*, found at levels of up to more than 200 ppb, have been found across Washington. These chemicals are a byproduct of chlorine disinfection of water containing lots of dirt, silt, or other organic matter; with the elevated rate of chlorine treatment used lately by the Corps, the levels likely have increased. The average levels reportedly fall below the EPA average standard of 100 ppb, due to lower levels in cold weather. We have sought more detailed records under FOIA to determine the extent of the problem.

- *Pthalates and Adipates*, families of toxic synthetic organic chemicals, have been found, including Di (2-ethylhexyl) adipate at 7-20 ppb, and Di (2-ethylhexyl) pthalate at 0.6 to 3.5 ppb. The health implications and more detailed occurrence data are being sought.

Conclusion: The Need for Major System Upgrades

The District's water supply is in urgent need of major upgrades. The Corps' contractor identified what it gently referred to as a "comparison of existing facilities to state-of-the-art," and listed needed system capital improvements totalling $176 million to $336 million, of which just $66 million had been budgeted. In addition, there is a serious need for improved operation and maintenance of both the Corps' water treatment plants and of the D.C. distribution system, including routine flushing. The Corps' contractor estimated that improved operating and maintenance associated with the upgraded plants would cost $4.5 million to $8.5 million a year.

"D.C. AREA WATER COPs" Requesting Public Hearings

Erik Olson
Natural Resources Defense Council

Joe Schwartz
Physicians for Social Responsibility

Dr. Pat Hawkins
Whitman-Walker Clinic

Paul Schwartz
Clean Water Action

Diana Neidle
Consumer Federation of America

Lisa Ragain
National Association of People with AIDs

Daniel Rosenberg
U S Public Interest Research Group

Robert Boone
Anacostia Watershed Society

Dawn Hamilton
Aurora Consulting

Rabbi Lynne Landsberg
Religious Action Center of Reform Judaism

Gary Rose
AIDs Action Council

Victor P. McMahan
American Rivers

Linda S. Golodner
National Consumers League

Velma Smith
Friends of the Earth

Ted Morton
American Oceans Campaign

Kenneth Cook
Environmental Working Group

Leigh Hauter
"From the Ground Up" Washington, D.C.

Margaret Morgan-Hubbard
Environmental Action

Gwyn Jones, Chair
Sierra Club New Columbia (D.C.) Chapter

Respectfully Submitted,

Erik D. Olson
for D.C. Area Water COPs

Mr. DAVIS. Mr. Olson, thank you very much for being here.

Now, Dr. Hawley.

Dr. HAWLEY. Thank you, Mr. Chairman and Congresswoman Norton and your staffs, for inviting me here today.

My name is Peter Hawley. I am a physician. I am the medical director of Whitman-Walker Clinic, the largest provider of AIDS and HIV services in the District of Columbia area. I am here to relay the concerns of myself and those of my colleagues about the tens of thousands of people who face a very real health threat because of potential water contamination.

Water contamination caused by parasites such as cryptosporidium, giardia, isospora, and microsporidium may only result in a case of self-limiting diarrhea in most people. However, people who are immunocompromised can get a deadly illness which is—which can be absolutely debilitating.

I would like to point out, that this does not only include people with AIDS, but it also includes many other groups of people including the debilitated elderly, newborns, individuals undergoing chemotherapy treatment, and those with severe autoimmune diseases requiring immunocompromising treatments.

For several years, various neighborhoods within the District of Columbia have been placed under periodic boil-water alerts issued by the FDA. The frequencies with which these alerts are issued indicate a fundamental public health problem associated with the most basic of human needs, clean water.

And I would like to again emphasize that we are not talking about a sophisticated, expensive drug that people need, that this is the most basic of human needs: Water, food, lodging. And people with AIDS rely on this as much as any of the rest of us do.

Furthermore, these alerts and today's testimony bring into question the ongoing integrity of the water treatment and supply system in the District.

Many parts of the city's water system are a hundred years old or more, and, as the EPA has documented, the Department of Public Works has often neglected to flush the water pipes to prevent life-threatening bacteria from growing within stagnant areas of this system. This is a simple process but as of late has not been done regularly, creating situations in which the health and lives of the citizens of the District of Columbia have been put into jeopardy.

The last boil-water alert in southeast occurred only a few blocks from our Max Robinson Center in which we treat many people infected with HIV.

I'm sure that you all remember in 1993 when at least 110 people died in Milwaukee because of cryptosporidium infection from the water supply. The majority of these people were living with HIV disease. An additional and staggering 403,000 people were made sick by contaminated water. Imagine the resulting huge medical costs and costs associated with loss of productivity of such an outbreak.

More recently, as Erik has said, in 1994, 37 people died from cryptosporidium infections contracted from drinking water in Las Vegas. Again, most of those people who died were people with AIDS.

Some groups say the solution to the problem is easy: Tell all people living with immunocompromising illnesses to drink only bottled water, or distilled water if they can afford it—if they can't afford that, to have them boil water that they intend for consuming. Unfortunately, it's not that easy.

First, it's not just the water you drink but it's the water you cook in, the water you brush your teeth with, the water you use for your ice maker and ice—to make ice cubes, the water you use to take your medications, and the water you use to make concentrated juices or powdered beverages.

The populations that are most susceptible to waterborne illnesses are already under tremendous stress attempting to stay healthy. Many are so physically disabled and weak that they are simply not able to carry home from the grocery store a gallon of water or even to carry a pot of water to be boiled from their sink to the stove.

Remembering to boil tap water for every use is inconvenient and probably will be sporadic under the best of circumstances. Every citizen in this community and every community across the country has a right to clean, safe drinking water without fear of illness.

The District of Columbia is at a crucial point where action must be taken to assure the continued and reliable safety of its water supply and delivery systems. We should heed the warning signs we have observed in the last several years and act now to ensure that we don't have a situation where contaminated drinking water does, in fact, cause a major public health crisis.

As a health care provider specifically to a population that is severely impacted by these concerns, I cannot stress enough how important it is to have modern, reliable water treatment facilities—water treatment and delivery systems, a foolproof system for monitoring and maintaining the safety of the drinking water in the District.

Thank you.

[The prepared statement of Dr. Hawley follows:]

Testimony of Peter Hawley, M.D.
Medical Director, Whitman-Walker Clinic Inc
February 23, 1996

Thank you, Mr. Chairman.

As Medical Director of Whitman-Walker Clinic, the largest provider of HIV/AIDS services in the D.C. area, I am the only representative of public health interests here today. I am here to relay my concerns and those of my colleagues about the tens of thousands of people who face a very real health threat because of potential water contamination. Water contamination, caused by parasites such as Cryptosporidum, Giardia, Isospora and Microsporidium, may only result in a case of self-limiting diarrhea for most people. However, these parasites can be deadly to people who are HIV infected, the debilitated elderly, newborns, individuals undergoing chemotherapy treatments, and those who have rheumatoid arthritis or other immunocompromising illnesses.

For several years, various neighborhoods within the District of Columbia have been placed under periodic "boil water alerts" issued by the EPA. The frequency with which the alerts are issued indicates a fundamental public health problem associated with the most basic of human needs—clean water. Furthermore, these alerts bring into question the integrity of the water treatment and supply systems in the District.

The water treatment facility operated by the Army Corps of Engineers, frequently operates at the highest acceptable level of turbidity--or level of suspended particles in drinking water. It is known that if turbidity levels surpass the acceptable limits established by the EPA, parasitic contamination is likely. Then, water containing Cryptosporidium, Giardia, Isospora and Microsporidium, may be passed on to an unsuspecting public and consumed.

These parasitic infections cause severe symptoms including abdominal cramps, diarrhea, nausea and fever. Extreme dehydration can also occur.

But, in D.C., the problem is not only at our water treatment facility. Many parts of the City's water delivery system are 100 years old or more. Also, as the EPA has documented, the Department of Public Works has neglected to "backwash" the water pipes to prevent life-threatening bacteria from growing in stagnant areas within the system. This is a simple process, but, as of late, has not been done regularly, creating situations in which the health and lives of the citizens of D.C. have been put in jeopardy.

I'm sure many of you remember in 1993 when the 110 people died in Milwaukee because of Cryptosporidum infection. The majority of those people were living with HIV disease. An additional 403,000 people were made sick by the contaminated water. More recently, in 1994, 37 people died from Cryptosporidum infections contracted from drinking water in Las Vegas. Again, most of them were people with AIDS.

Some groups say the solution to this problem is easy: Tell all people living with immuno-compromising illnesses to drink only bottled, distilled water—if they can afford it— or have them boil any water intended for consumption. Well, it's not that easy. First, it's not just the water you drink, but the water you cook in, the water you use to brush your teeth, water used for ice cubes and the water used for concentrated juices or powdered beverages. The populations that are most susceptible to water-borne illnesses are already under tremendous stress attempting to stay healthy. Many are physically disabled or are weakened by their illnesses. Carrying gallons of bottled water home from the grocery store or community FoodBank is physically taxing. Remembering to boil tap water for every use is inconvenient and maybe sporadic. Every citizen of this community, and every

community across the country have a right to clean, safe drinking water, without fear of illness.

The District of Columbia is at a crucial point where action must be taken to ensure the continued and reliable safety of its water supply and delivery systems. We should heed the warning signs we have observed in the last several years and act now to ensure we don't have a situation where contaminated drinking water causes a public health crisis.

As a health care provider, specifically to a population that is severely impacted by these concerns, I cannot stress enough how important it is to have a fool-proof system for monitoring and maintaining the safety of the drinking water in the District.

Thank you.

Mr. DAVIS. You are welcome.

Thank you both for your very thoughtful statements. I had a couple questions for each of you. Let me start with Dr. Hawley.

In November 1995, you recommended that all immunocompromised people in the District use filtered bottled water or boil tap water for 1 minute before drinking it or using it in cooking.

You were quoted as saying that you were unmoved to lift the warning until you received assurances from the District and Federal authorities that the city's water is absolutely safe.

I guess my question is—and judging from your testimony, I know what your answer is going to be—is your warning still in effect?

Dr. HAWLEY. Yes, it is.

Mr. DAVIS. OK. Do you feel that they are making progress in response to your warning?

Dr. HAWLEY. Well, I was pleased by some of the testimony today as far as planned improvements, but I think we are a long ways away from seeing those improvements taking effect and being assured that the monitoring systems are continually working.

Remember that when, as happened in December 1993, I am called and told that there was a boil-water emergency and asked if there was any way we could contact our patients to notify them. That was essentially an impossibility.

No. 1, that water has already been distributed that's been found to be unsafe, and, No. 2, I have 1,500 patients, many of whom who don't have telephones. There isn't any way that I could effectively reach all of those patients in a short period of time.

Mr. DAVIS. Sure.

Can you compare—and I am going to ask both of you this question—the water here from the aqueduct to water in other cities?

I will let you both answer it.

Mr. OLSON. I can answer it. We have done a series of surveys of cities across the country. I would have to say for trihalomethanes, which is these cancer-causing chemicals, the District has among the highest levels of trihalomethanes of any large water supply in the country.

For microbial contamination, again, the District has had a lot more violations of the total coliform rule, the surface water treatment rule, and the—the other regulations that are intended to protect us from microbial contamination than most other large water systems.

I wouldn't say that it's the worst in the country, but I would say——

Mr. DAVIS. There are thousands of systems, aren't there?

Mr. OLSON. There are thousands. But I would say that it's one of the systems—one of the large systems in the country that I'm most concerned about, and it's simply—it's a shame that it's the Nation's Capital and we can't be basically proud of state-of-the-art treatment for the water here.

Mr. DAVIS. I will ask each of you whether the distribution system on the Virginia side is a different distribution system than the city's? Are you seeing a different quality of water on each side? In other words, is a main part of the problem of the city the distribution system, or does it relate to the aqueduct, or is it both?

I know Whitman-Walker has clinics both in Arlington and in the city.

Mr. OLSON. Well, I think you have to distinguish between the contaminates. The distribution system certainly contributes significantly to the bacteria in the water. If you don't flush the system enough, if you don't maintain it adequately, then you can get a lot more bacteria building up in the system. And what we have seen is many years of neglect of the District's water pipes, and I think Larry King has been pretty forthright about that fact. But there have been instances where bacteria have been found on the Arlington side; in fact, as recently as last year.

So we are not completely out of the woods on the Virginia side of the border, and in terms of the cancer-causing trihalomethanes, those levels, to my knowledge, are at least as high on the other side of the river as they are here. So clearly, we have got some problems on both sides of the river.

Mr. DAVIS. OK.

Dr. Hawley.

Dr. HAWLEY. It would be hard for me to state one way or the other. We see cryptosporidium periodically in our patients, which can come from a lot of different reasons. I am not aware that there's any differences in the rates on either side of the river.

Also, we do not, even though we have—we have facilities providing services in northern Virginia, we are not providing medical services in northern Virginia. So those Virginia patients we are seeing are coming to the District for care.

Mr. DAVIS. Thanks.

As you have heard, Mr. Olson, the EPA scheduled a public hearing in Washington for April 9 in connection with their proposed administrative order that was issued last year. Do you believe that there is any further action that the EPA should be taking at this time under the Safe Drinking Water Act or any other statute in connection with water quality in the Washington region? And will this hearing address the issues mentioned in your December 1995 report?

Mr. OLSON. Well, I think we are sort of in an information-gathering process right now on those issues.

Clearly, the budget cuts that EPA has suffered in travel and in inspection resources I think has hurt their effort to oversee what's going on in the District as well as a lot of other places, and it's only going to get worse if they don't get a decent budget.

I think there is—there are two needs I would identify that have not been fulfilled yet. One is, I think it's clear there needs to be an audit of how the water is—the drinking water money is being spent. What they have looked at so far is the sewage money, and it's not clear exactly what's happening with the money that's being paid for drinking water.

The second is that the Centers for Disease Control offered in a meeting last year to pay for active waterborne surveillance service in the District and in the region. That is an unusual situation where a Federal agency volunteers to pay for something. Yet, to my knowledge, no one locally has—has decided to go forward and ask for that money. It's the kind of thing that really has to be done. If we are going to document whether or not there's a problem, I

think there should be an active waterborne disease surveillance program, and there is not.

Mr. DAVIS. OK. Thanks.

In your comments about lead in the drinking water, this seemed to be lumped into the District of Columbia water system. But my understanding is that lead is more a problem inside buildings than in the water system itself, and while the District of Columbia government and EPA have a strong interest in lead abatement, wherever it is found, that this basically would not be a problem with the system or a problem that the aqueduct or the Department of Public Works could do anything about.

Any reaction to that? Am I missing something on this?

Mr. OLSON. Well, let's talk about where lead comes from. It comes either from the so-called service lines that are between the water main and the house or apartment building which is controlled by the District. That's part of the distribution system. Or it comes from the—inside of the household plumbing, including the faucet.

What EPA's rules require is that you replace a lead service line that's continuing to contribute to a problem after you have tried to reduce how corrosive the water is.

So it is the aqueduct's responsibility to treat the water so it doesn't take a lot of that lead out of the pipes, and although the aqueduct has proposed a plan, as I mentioned, that has been sitting on EPA's desk, as far as I know, for 18 months without action. And then the real problem is that we are not going out and testing for lead so we don't know anymore where the problems are and where they are not.

Mr. DAVIS. Let me just follow up with Dr. Hawley.

Lead is not the major concern to your patients as much as some of the other areas?

Dr. HAWLEY. I don't know of any association between lead levels and change in status of HIV disease.

Mr. DAVIS. All right. Thank you.

Let me ask Ms. Norton if she has any questions.

Thank you both.

Ms. NORTON. Thank you, Mr. Chairman. I just have a couple of questions.

For Dr. Hawley, I believe you were here when Mr. McCabe testified that a person with an immune deficiency disease should consult her physician rather than assume, particularly if she is able-bodied, that she cannot drink the water. For an able-bodied person, is that bad advice? Let's say somebody who is HIV positive but does not have AIDS, for example.

Dr. HAWLEY. Well, you know, I think that that should be an issue between the physician and the patient for any HIV-infected person, whether they are severely immunocompromised at that time or not.

We would usually recommend taking more extraordinary measures like boiling the water to those who were more severely immunocompromised late in their disease.

Ms. NORTON. Could I have a clarification on boiling water? I understand you are supposed to boil water for 1 minute. Aren't there problems that occur if you boil water too long?

Dr. HAWLEY. Well, there shouldn't be any problems as far as—there shouldn't be any problems as far as communicable diseases by boiling water too long. You couldn't boil it too long. When you boil water for—for a longer period of time, it is possible—it does change some of the chemicals that may be in it and it may cause some other problems.

Ms. NORTON. Such as?

Dr. HAWLEY. I'm not an expert in water—in that—in that component of water treatment.

Mr. OLSON. The one thing that I know has been spoken of is that you concentrate heavy metals such as lead. So the more you boil it down, the more concentrated lead would get, for example.

Ms. NORTON. Thank you.

I am concerned, I think, Dr. Hawley, when I heard you mention not only drinking water but problems that could come from bathing or even brushing one's teeth.

Dr. HAWLEY. I didn't say bathing, but I did say brushing teeth.

Ms. NORTON. I am sorry, brushing one's teeth. That, of course, we associate with developing countries.

Under what circumstances should a person be concerned even with brushing her teeth in these waters?

Dr. HAWLEY. If it's decided that a person should be using bottled or boiled water for drinking, then that should be extended to brushing your teeth because, after all that's that same water that's going into your mouth and entering your gastrointestinal tract, and so it can carry the exact same organisms in and has, in fact, been associated with particularly a lot of what's called traveler's diarrhea.

When people go to other countries, they will often remember to drink bottled water and to insist on food being properly prepared but then forget to brush their teeth with bottled water and, therefore, end up with the exact same diseases that they would have gotten by drinking the water.

Ms. NORTON. That suggests that even very small amounts of contaminates can have a serious effect.

Dr. HAWLEY. Sure.

Ms. NORTON. One question for Mr. Olson.

I appreciate your work in monitoring the District of Columbia's water supply, well known in this town.

You spoke of rate shock. I assume that if there is going to be an increase in the water rates that there would automatically be public hearings. I do not—do I take it that you would oppose a rate increase?

Mr. OLSON. No. What I am saying is that if you don't—the past experience is that if you spring a huge rate increase on the public without having done the groundwork first of involving people in the discussions, explaining to the public why it's necessary, explaining what the health risks are and what you are trying to fix, that that's where you get the real rate shock. Some utilities have made the mistake of not doing that and suddenly increasing a large—you know, substantially increasing their rates, and that's when you get rate shock.

I think, frankly, it's quite clear that the District hasn't increased its rates for 10 years, and that's going to have to be remedied. But

we would like to see that remedied in a way that's fair so that low-income people in particular aren't severely impacted by that.

Ms. NORTON. Of course, I mean, I had assumed—I do not have the law before me, but I have to assume that there would have to be a hearing in any case. Do you mean something beyond a hearing?

Mr. OLSON. Absolutely. I think that a public hearing isn't necessarily going to solve the problem. There needs to be an educational process and a full public involvement process so that the public feels——

Ms. NORTON. Now I understand what you mean. If you are going to raise people's rates and you have to do it and you have a hearing, what, beyond that, are you suggesting?

Mr. OLSON. Well, I am suggesting that there have been a lot of backroom negotiations over what's going to happen between the various jurisdictions and that it would make a lot more sense to have this much more public with public involvement in that decisionmaking.

The past experience, again, has been that if suddenly there is an announcement of a 75- or 100- or 150-percent rate increase and the only out—the only way that the public has a way to talk about that is in a public hearing, that that public hearing is going to be pretty contentious. So it's important to do some groundwork before you get to that point.

Ms. NORTON. I am not sure I understand what the groundwork should be, but I do agree that if you take the time—I don't know what you can do beyond have people come in and explain, and perhaps that should happen over a period of time.

But if—it is like regulation in general. If you take the time to make people understand what they are paying for, you have a much better chance of getting consent and agreement.

I fear that when water rates go up at one time like this, no amount of explanation is going to make people feel good about it. How do you—of course, governments are damned if you do and damned if you don't. The reason they don't increase the rates every year is because then you get it every year, and so what they do is to wait, as the District has, for a period of time when they get pushed into it.

What do you suggest as the way jurisdictions ought to go about handling necessary increases in water rates?

Mr. OLSON. Many jurisdictions will go for an annual rate increase.

Ms. NORTON. And let everybody know up front that that's what's going to happen?

Mr. OLSON. Right. They will explain, this is our capital plan; these are the health threats we are trying to address.

You know, the real problem is that in some jurisdictions they will say there's absolutely no health problem, there's nothing you should be worried about, but we are going to increase your rates 75 percent. And those two just don't go together.

Ms. NORTON. Why would anybody do that? say that?

Mr. OLSON. Because they don't want to create panic in the public about the threats to the water supply. So it's a delicate balance.

Ms. NORTON. Thank you very much.

Mr. DAVIS. Thank you both very much. We appreciate it.

Mr. OLSON. Thank you.

Mr. DAVIS. Without objection, I am going to hold the record open for 2 weeks. The subcommittee has received a number of unsolicited statements on this issue before this hearing.

Ms. Norton, I think you would want to join me in thanking those individuals and groups, and, without objection, I would like to put their statements and have them entered into the record.

Ms. NORTON. OK.

[The prepared statements referred to follow:]

COMMONWEALTH of VIRGINIA

James S. Gilmore, III
Attorney General

Office of the Attorney General
Richmond 23219

900 East Main Street
Richmond, Virginia 23219
804 - 786 - 2071
804 - 371 - 8946 TDD

January 16, 1996

BY CERTIFIED MAIL

Marion Barry, Jr., Mayor
c/o Charles F.C. Ruff
Corporation Counsel
District of Columbia
441 Fourth Street, NW
Washington, DC 20001

RE: Notice pursuant to 33 U.S.C. § 1365(b)(1)(A)

Dear Mayor Barry:

The District of Columbia ("District") owns and operates the Blue Plains sewage treatment plant ("Blue Plains"). The sewage discharges from Blue Plains and elsewhere in the District to the Potomac and Anacostia Rivers, Rock Creek, and Little Falls Branch are governed by NPDES permit number DC0021199 (the "Permit"). The District has violated effluent limitations imposed by the Permit from time to time since November, 1994, particularly the minimum pH limitation.

As set out in a report by the Environmental Protection Agency's National Enforcement Investigations Center, dated November, 1995, the District's inability to maintain adequate inventories of treatment chemicals has led to these permit violations, as well as to high solids inventories in aeration basins and to reduced solids dewatering capacity.

In addition, the District essentially has halted preventive maintenance; it now conducts maintenance operations on an emergency basis. The District further relies on contract personnel for many of the high-skill repairs at Blue Plains; unpaid bills threaten the continued availability of this work force.

As a result, the Blue Plains plant is in a critical condition. The violations in recent months foreshadow major failures at the plant. Such failures inevitably will cause major violations of the permit requirements for, *inter alia,* carbonaceous biochemical oxygen demand, total suspended solids, total phosphorous, ammonia nitrogen, dissolved oxygen, total chlorine residual, pH, zinc, mercury, fecal coliform, enterococci, and toxicity.

The accounting records of the District show that the District's Water and Sewer Utility Administration, which operates Blue Plains, has an operating budget reserve in its Water and Sewer Fund of $96,060,208 as of November 1, 1995. The District, however, is able to redirect these funds and has done so. The management at Blue Plains has told EPA that it is not able to use these funds to correct the operational and maintenance problems at the plant. Moreover, according to a letter of December 4, 1995 from EPA's Region III Administrator, the capital improvement fund will be exhausted by the end of the present month, further decreasing the reliability of the plant and leaving the District unable to comply with a July 1, 1996 permit deadline for increasing treatment capacity.[1]

At Part II, Section B, the Permit provides:

> The permittee shall at all times properly operate, inspect and maintain all facilities and systems of treatment and control . . . which are installed or used by the permittee to achieve compliance with the conditions of this permit. Proper operation and maintenance includes effective performance, *adequate funding, adequate operator staffing* and training, and adequate laboratory and process controls . . . .

(Emphasis added). Part III, Section 6 of the Permit further requires the District to "maintain the level of staff personnel to the level necessary to fully implement the system." Through its self-induced financial crisis, the District is violating these requirements.

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[1]In fact, the permit will expire on February 3, 1996; it could not and does not contain a July, 1996 deadline. The Regional Administrator appears to be referring to a July, 1994 deadline that, I am advised, has been extended by consent.

The District's diversion of funds and its improper operation and maintenance of the plant pose an unacceptable and unlawful threat to public health and water quality in the Potomac River and the Chesapeake Bay. The Commonwealth of Virginia and its citizens are affected by this threat. The Maryland waters of the Potomac abut Virginia, and the affected Potomac embayments on the south bank are Virginia waters. The Northern Virginia jurisdictions have spent and are spending millions of dollars to protect and improve the quality of these waters.

In effect, the District has diverted income from ratepayers, including the Virginia residents of portions of Arlington, Fairfax, and Loudoun Counties who are customers of Blue Plains, and has squandered the funds upon other programs, while leaving the Blue Plains facilities to deteriorate. Moreover, the decay of the Blue Plains facilities has led to increased operational costs that impose higher sewage rates on all the Blue Plains ratepayers.

Accordingly, **PLEASE TAKE NOTICE** as provided by 33 U.S.C. § 1365(b)(1)(A) and 40 C.F.R. § 135.2 that the District of Columbia is subject to a civil action by the Commonwealth of Virginia under 33 U.S.C. § 1365(a)(1), sixty days from the date of mailing of this notice, to compel the District to comply with its NPDES permit and to impose civil penalties for the District's violations of that Permit.

Please call my Assistant John Butcher at (804) 786-4073 if you have any questions regarding this notice.

With kindest regards, I am

Sincerely,

James S. Gilmore, III
Attorney General

cc: Carol M. Browner, Administrator
Environmental Protection Agency
401 M Street, SW
Washington, DC 20460

W. Michael McCabe, Regional Administrator
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James R. Collier, Program Manager
Water Resources Management Division
Environmental Regulation Division
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District of Columbia
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Washington, DC 20001

E:\JRB\WP\414\BP\NOTICE

REMARKS BY
THE HONORABLE STENY H. HOYER

1

I WANT TO THANK CHAIRMAN DAVIS AND MY COLLEAGUES ON THE DISTRICT OF COLUMBIA OVERSIGHT SUBCOMMITTEE FOR ALLOWING ME THE OPPORTUNITY TO EXPRESS MY CONCERNS AND THOSE OF MY CONSTITUENTS IN THE FIFTH CONGRESSIONAL DISTRICT OF MARYLAND REGARDING THE ONGOING PROBLEMS AT THE BLUE PLAINS TREATMENT PLANT.

I REMAIN QUITE CONCERNED ABOUT THE DISTRICT'S DECISION TO SIPHON FUNDS FROM BLUE PLAINS AND TRANSFER THEM TO OTHER ACCOUNTS IN THE DISTRICT OF COLUMBIA BUDGET. THIS PRACTICE, COUPLED WITH SERIOUS OPERATIONS AND MANAGEMENT PROBLEMS AT THE PLANT CAN SOON LEAD TO A MAJOR DISASTER AT THE PLANT. MOREOVER, THERE REMAINS A THREAT TO THE SEWAGE RATE PAYERS AND RESIDENTS OF THE METROPOLITAN AREA FOR HAVING UNTREATED SEWAGE FLOWING DOWN THE POTOMAC RIVER. THERE IS ALSO A SERIOUS THREAT TO THE FRAGILE ENVIRONMENTAL CONDITIONS OF THESE WATERWAYS AND THE WATER LIFE.

MY TOP PRIORITY CONTINUES TO BE ENSURING PROPER CLEAN UP AND PRESERVATION OF THE WATERWAYS AND WILDLIFE IN THE CHESAPEAKE BAY BASIN INCLUDING THE POTOMAC, ANACOSTIA, AND PATUXENT RIVERS. AS YOU KNOW, MR. CHAIRMAN, THE VIEWSHED OF MOUNT VERNON ALONG THE POTOMAC RIVER HAS BEEN PRESERVED THROUGH OUR EFFORTS. IN ADDITION, BICYCLE TRAILS ALONG THE VIRGINIA SIDE OF THE POTOMAC, UTILIZED BY THOUSANDS OF AREA RESIDENTS, PARALLEL THE POTOMAC SHORELINE. IT WOULD BE A DISASTER TO SEE SEWAGE DISCHARGE ON THAT SHORELINE IF AN UNFORTUNATE ACCIDENT OCCUR, NOT TO MENTION THE HEALTH AND SAFETY RISKS TO THE RESIDENTS DOWNSTREAM FROM BLUE PLAINS.

DURING FISCAL YEAR 1994, OVER $80 MILLION DOLLARS WAS TRANSFERRED FROM THE DISTRICT'S WATER AND SEWER ENTERPRISE FUND. THE BLUE PLAINS BUDGET FALLS WITHIN THIS FUND. THIS SUBSTANTIAL LOSS OF FUNDS HAS LED TO SERIOUS MAINTENANCE AND PLANT OPERATIONS PROBLEMS AT THE FACILITY.

ACCORDING TO THE ENVIRONMENTAL PROTECTION AGENCY WHICH INSPECTED THE FACILITY APRIL 1995, THE PLANT IS SHORT OF STAFF, MAINTENANCE AND CHEMICALS. THESE SHORTAGES COULD POTENTIALLY LEAD TO A REAL THREAT OF SEWAGE FLOWING INTO THE POTOMAC RIVER. THIS CAN CAUSE A SERIOUS THREAT TO THE RATEPAYERS AND SUBURBAN JURISDICTIONS AND HAVE A DEVASTATING ENVIRONMENTAL IMPACT ON THE REGION.

DURING ITS INSPECTION, EPA FOUND THE FAILURE TO PAY VENDORS AND CONTRACTORS IN A TIMELY MANNER HAS RESULTED IN CONTRACTORS WALKING OFF THEIR JOBS AT BLUE PLAINS AND VENDORS FAILING TO MAKE DELIVERIES OF CHEMICALS OR SUPPLY SPARE PARTS. THIS FURTHER HAMPERS THE PLANT'S ABILITY TO OPERATE AND MAINTAIN PLANT EQUIPMENT. MOREOVER, LACK OF PREVENTIVE MAINTENANCE AND REPLACEMENT PARTS FOR ESSENTIAL TREATMENT PROCESS UNITS RESULTED IN MANY UNITS BECOMING INOPERABLE AND/OR INACCURATE.

ACCORDING TO EPA, THE STAFFING LEVELS HAD A DELETERIOUS EFFECT ON PLANT OPERATIONS: SHORTAGES IN THE REQUIRED NUMBER OF ENGINEERS HAS RESTRICTED USE OF THE PLANTS ABILITY TO MONITOR THE LARGE NUMBER OF ENVIRONMENTALLY SENSITIVE PROCESSES, PLAN FOR NECESSARY MAINTENANCE, AND OVERSEE ONGOING CONSTRUCTION PROJECTS.

IN TURN, EPA REQUIRED THE DISTRICT TO SUBMIT A SHORT AND LONG ACTION PLAN DEMONSTRATING THE CITY'S ABILITY TO ADDRESS CURRENT PROBLEMS AND HOW THE CITY PLANS TO MEET ITS LONG TERM OBLIGATIONS.

THE DISTRICT SUBMITTED ITS PLAN TO EPA ON OCTOBER 13, 1995. AFTER A BRIEF REVIEW OF THE PLAN, EARLY INDICATIONS ARE THAT THE PLANS LAY OUT PROPER ACTIVITIES, YET IT IS STILL UNCERTAIN HOW THE DISTRICT WILL BE ABLE TO FINANCE THESE ACTIVITIES AND HOW THE TRANSFERRED FUNDS WILL BE RETURNED IN A TIMELY FASHION.

IN NOVEMBER 1995, THE ENVIRONMENTAL PROTECTION AGENCY AGAIN INSPECTED BLUE PLAINS. THEIR NEW INSPECTION FOUND THAT THERE HAS BEEN NO IMPROVEMENT OF THE SITUATIONS. IN FACT, THEY FOUND MATTERS ARE GETTING WORSE. THE EPA FOUND REVENUE RESERVES, WHICH HAVE BEEN GENERATED FROM THE DISTRICT OF COLUMBIA AND SUBURBAN WATER AND SEWER BILLS, ARE STILL NOT AVAILABLE TO PROVIDE FOR THE NEEDS OF BLUE PLAINS. THE CAPITAL IMPROVEMENT BUDGET IS EXPECTED TO RUN OUT OF MONEY THIS MONTH. THE CONTRACTORS AND EQUIPMENT SUPPLIERS ARE NOT BEING PAID. THERE CONTINUES TO BE STAFFING SHORTAGES AND MORE ARE EXPECTED.

CHANGES ARE NEEDED IMMEDIATELY TO OVERCOME THESE NUMEROUS AND SERIOUS PROBLEMS PLAGUING THE BLUE PLAINS TREATMENT FACILITY. I BELIEVE ONE OF THE BEST WAYS TO RESOLVE THE SITUATION AT BLUE PLAINS IS TO TRANSFER BACK THE FUNDS TAKEN FROM THE BLUE PLAINS ACCOUNT AND PROHIBIT THE FURTHER TRANSFER OF ANY ADDITIONAL FUNDS.

IN LIGHT OF THIS BELIEF, I HAD REPORT LANGUAGE INCLUDED IN THE DISTRICT OF COLUMBIA APPROPRIATIONS BILL WHICH REQUESTS THE DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE AUTHORITY TO ADDRESS IN ITS MARCH 1996 FINANCIAL REPORT AND PLAN, 1) HOW THE DISTRICT PLANS TO RESTORE FUNDS REMOVED FROM THE BLUE PLAINS BUDGET AND 2) THE TIMING FOR THAT RESTORATION. I KNOW THAT THE DIRECTOR OF PUBLIC WORKS AND THE CITY ADMINISTRATOR WILL BE ADDRESSING THE COMMITTEE TODAY AND I WOULD LIKE THEM TO ADDRESS HOW AND WHEN THE MONEY WILL BE RESTORED.

CURRENT CONDITIONS AT BLUE PLAINS POSE A HEALTH AND SAFETY THREAT TO THE SEWAGE RATER PAYERS AND RESIDENTS OF THE METROPOLITAN AREA WHO LIVE DOWNSTREAM FROM THE FLOW OF UNTREATED SEWAGE. IT POSES A SERIOUS THREAT TO THE FRAGILE ENVIRONMENT OF THE POTOMAC, CHESAPEAKE BAY, ANACOSTIA, AND PATUXENT RIVERS AND THE WATER LIFE THEY SUPPORT. IN ORDER TO PREVENT DANGER TO LIFE OR ENVIRONMENT, USE OF THE FUNDS FROM THE RESERVE ACCOUNT IS NECESSARY SO THAT THE BLUE PLAINS FACILITY CAN RETURN TO SAFE AND EFFICIENT OPERATION.

IN CLOSING, LET ME REPEAT MY CONCERNS FOR THE HEALTH AND SAFETY OF THE RESIDENTS DOWNSTREAM. NOT ONE DISTRICT TAXPAYER LIVES DOWNSTREAM OF THE PLANT. I BELIEVE THERE HAS NOT BEEN A CONCERTED EFFORT BY DISTRICT OFFICIALS TO ADEQUATELY PROTECT RESIDENTS WHO LIVE DOWNSTREAM FROM THE POTENTIAL THREAT OF A MAJOR DISCHARGE.

I HOPE THAT THIS CAN BE CORRECTED AND I KNOW, MR. CHAIRMAN, THAT YOU SHARE THOSE CONCERNS FOR YOUR VIRGINIA CONSTITUENTS. LET ME ALSO SAY THAT I AM ADAMANTLY OPPOSED TO HAVING MY CONSTITUENTS HELP MAKE UP AN $80 MILLION DOLLAR SHORTFALL AS A RESULT OF THE DISTRICT'S ROBBING PETER TO PAY PAUL. THEY SHOULD FIND THE FUNDS AND **MUST** FIND THE FUNDS. IT IS THE NEIGHBORLY THING TO DO.

QUESTIONS CONGRESSMAN HOYER WOULD LIKE THE CHAIRMAN TO ASK DURING THE HEARING

THE FOLLOWING ARE FOR MICHAEL ROGERS, CITY ADMINISTRATOR AND LARRY KING, DIRECTOR OF PUBLIC WORKS

1. HOW DOES THE DISTRICT PLAN TO RESTORE THE FUNDS TRANSFERRED FROM THE WATER AND SEWER ENTERPRISE FUND?

2. WHAT IS THE TIMING FOR THAT RESTORATION?

3. WHY IS THE BLUE PLAINS MANAGEMENT UNABLE TO ACCESS THE RESERVES IN ITS WATER AND SEWER FUND TO ADDRESS THE PROBLEMS AT BLUE PLAINS?

Written Testimony of

Lisa Ragain Lovett, MAT

of the National Association of People with AIDS

The National Association of People with AIDS (NAPWA) believes that safe and affordable drinking water is a right. A right which all people deserve, regardless of their sero-status or the state of their immune system. NAPWA has been at the forefront of working on the issue of safe drinking water for people living with HIV disease for several years. Through this work, on the national and local level, NAPWA has developed a sense of how the threat of drinking water can be mitigated for people with HIV disease, and what role people can play in working to assure their own water safety.

NAPWA has been monitoring problems in both the District of Columbia and our regional drinking water. The boil water alert in December, 1993 sent a wave of fear and panic through the HIV and AIDS community. There was a decided lack of communication as to the real risk associated with the water in the metropolitan area as well as ways to address these risks practically and logically. For example, people were not told if it was safe to shower or wash their food, and there were many conflicting reports on how long to boil water. There were no specific communications to vulnerable populations, not only people living with HIV, but also the elderly, those on chemo therapy and others with compromised immune systems.

That particular boil water alert erred on the side of safety; there were no microbes found in the water. However, this has not always been the case.

People living with HIV in the District, and indeed throughout the region, have been concerned over several reports on the water supply for the region. Though this committee is specifically charged with the District of Columbia, the water distribution system demands that when water safety is discussed, it must be discussed in terms of the entire region.

The final call to action for NAPWA's local constituency came with the boil water alert issued for four blocks of the District in November, 1995. Accompanying the alert were statements from the Environmental Protection Agency (EPA) that implied that the problems with regional water could pose a significant health risk. At that time, NAPWA, along with the *Whitman-Walker Clinic*, felt that people living with HIV disease required a serious warning about the drinking water supply in the area, and that this message could not be effectively conveyed through local governments or health departments. This supposition was based on the continuing lack of communication to the HIV/AIDS community during other periods when the safety of the water supply was in question, as well as a continual denial as to any problem or health risk associated with the water supply. Since that time, both organizations have urged people living with HIV to boil their water or use an alternative source.

This decision was not made lightly. Boiling all the drinking water that one will use in a day is a difficult and time consuming task at best. For someone who is sick, or neurologically impaired, the task can be overwhelming and potentially dangerous. Alternative sources of water are a potential solution, but are problematic because the majority of people most at risk for water borne diseases cannot afford food, let alone a water filter or delivered bottled water.

For dire emergencies, such as a boil water alert, the local Ryan White CARE consortium has developed a plan of action that includes agencies such as *Food and Friends* delivering bottled water. *Food and Friends* distributes meals to more than four hundred people living with HIV disease in the Metro area each day. However, when there is an emergency, *Food and Friends* must first find a source for bottled water, and then delivery must be made. This can include up to two extra round trips per volunteer driver. The result is a risk that food will not arrive at the right temperature, posing another health threat as well as a significant burden on the volunteer and staff base of the organization.

Food and Friends must make their own decision regarding the delivery of bottled water, because they have yet to ever receive direct communication from the water utilities or the health departments on the issue of water safety. Lastly, *Food and Friends* must deliver water to the whole area, because they lack the information to make a decisions as to whether or not a breech in water safety affects just one area of the region, or whether it affects the entire metropolitan area.

The problem of communication raises many of the broader public health issues involved with the water safety questions in the region. There is no documented or explicit plan to speak directly with AIDS service organizations and many of the care providers that have daily communication with people who are severely immune compromised and who are most at risk. Phone calls made to a few physicians who are then expected to contact all their at risk patients cannot possibly get the word out to the people who most need to know if they should to boil their water.

Again, groups like *Food and Friends* and other meal delivery services for a wide variety of populations need to know about a water borne risk, if for no other reason than to assess the safety of the water they would use in food preparation. The same is true for institutions such as hospitals and nursing homes.

One of the fundamental questions that must be addressed is: When should a boil water alert be sounded, or when should precautions be urged for at risk populations? This question has not been answered. The reluctance of issuing a boil water alert is understandable. There are considerable liability and economic impacts to these decisions. However, often, when a boil water alert has been ordered, the public has been drinking contaminated water for at least 48 hours. A suspected problem in the drinking water must be confirmed through lab tests, which may take up to three days to do the required tests. This is a deadly time lapse for people living with HIV disease.

Another series of vital questions that must be asked are: What is the level of risk for vulnerable populations. What are the potential microbial contaminants, their affects, and how much is there in the water? Is there enough to cause disease? These questions have not been answered. Water borne microbial illnesses such as cryptosporidiosis, giardia and shigella are not reportable illnesses, so there is no hard epidemiological data available to answer questions. Often, physicians do not even order tests to find the "source" of a diarrheal illness. In order to base a risk analysis on good public health policy, water borne

diseases must have a surveillance mechanism in place. Without such a mechanism, crucial life and death health decisions are made on the basis of speculation

Water safety issues are becoming increasingly complex, in a time when available resources are shrinking. However, those most at risk for catastrophic illness and death from their drinking water represent ever increasing populations in the region. Answering these questions will require honest examinations of the many systems involved, charged with not only with assuring safe and affordable drinking water for our citizenry, but also communicating concerns to the public that respects their right to know and protecting the public health.

The problems faced by the District of Columbia and the metropolitan area are by no means unique. Large and small cities, rural areas and towns all face the challenge of providing safe and affordable drinking water for all of their citizens. The charge to this committee, Congress, and ultimately to the entire area is to lead the way in creatively resolving the complex issues around drinking water safety. Until all of these issues are examined, too many questions will remain, and lives will be at risk.

People should not die from drinking a glass of tap water.

AIDS Action Council

For information contact:
Beth Jones, 202-986-1300, Ext. 3050

AIDS ACTION CALLS FOR EPA HEARINGS ON SAFETY OF DISTRICT'S DRINKING WATER SUPPLY

Statement of Gary Rose
Legislative Representative, AIDS Action Council
December 18, 1995

AIDS Action Council joins our coalition partners in the AIDS and environmental communities today in demanding that the Environmental Protection Agency (EPA) hold open hearings on the safety of the District of Columbia's drinking water supply.

It is ironic that on the same day we are calling for stricter oversight of the District's drinking water, EPA employees are being sent home because they are considered "non-essential federal personnel." This action further underscores the skewed priorities of this Congress. It readily appropriates billions of dollars to the military for unrequested weapons systems, while it threatens programs such as the Safe Water Drinking Act and Medicaid, which benefit all Americans, especially the most vulnerable.

Twice now, in 1993 and in 1995, District residents have been ordered to boil their drinking water due to the threat of widespread contamination. For people with compromised immune systems, this threat led to a reasonable fear that there were microorganisms in their drinking water that could cause infections like cryptosporidiosis. In people with AIDS and other severely immuno-compromising conditions, crypto is incurable and causes chronic diarrhea, wasting, and finally, death. As a result, the National Association of People With AIDS and Whitman-Walker Clinic issued a city-wide recommendation that all immuno-compromised District residents boil their drinking water. Unfortunately, the people most vulnerable to this infection are also the same people who may be too sick to boil their own water and too poor to buy bottled water.

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The District seems incapable of coping with this immediate threat to the public health. Therefore, the EPA must step in to ensure that thousands of District residents have access to safe drinking water.

# # #

Written Testimony of
ROBERT E. BOONE

Director
The Anacostia Watershed Society
5110 Roanoke Place, Suite 101
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301/513-0316

Before the
Subcommittee on the District of Columbia
of the
Committee on Government Reform and Oversight
U.S. House of Representatives

Friday, February 23, 1996

Mr. Chairman, members of the Subcommittee, I am Robert E. Boone, Executive Director of the Anacostia Watershed Society. The purpose of my statement today is to call to your attention the unquestionable link between bureaucratic inaction and financial irresponsibility on the part of the District government, specifically the Department of Public Works (DPW), and the serious environmental problems threatening the Anacostia River.

The Anacostia Watershed Society is a nonprofit conservation organization with about 400 members in the Washington, D.C. metropolitan area. The Society has a long-standing, non-commercial interest in cleaning the water, recovering the shores, and honoring the heritage of the Anacostia River watershed. To advance this interest, the Anacostia Watershed Society has mobilized over 7,700 volunteers, planted 5,800 trees and removed over 114 tons of debris from the shoreline of the Anacostia River in Montgomery County, Prince George's County and the District of Columbia. The Society has directly introduced over 1300 children and adults to the Anacostia River through sponsored canoe trips, and has lectured to an additional 5,500 people with a slide show about the river.

Written Testimony of
Robert E. Boone
The Anacostia Watershed Society

Despite the efforts of the Anacostia Watershed Society, other concerned citizens and public agencies, the Anacostia River continues to face many serious environmental threats. In fact, the Anacostia River has been identified by American Rivers, the Nation's principle river conservation organization, as one of the ten most polluted and endangered rivers in this country.

Studies conducted by the Metropolitan Washington Area Council of Governments indicate that the primary source of contamination in the Anacostia River is "combined sewer overflows," i.e., the discharge of raw, untreated sewage into the Anacostia River during periods of heavy rainfall. The cause of this combined sewer overflow (CSO) problem is the District's antiquated sewer system, which relies in part on combined sewer lines (sewer lines that carry both storm water and raw sewage to Blue Plains). In periods of heavy rainfall, the combined sewers cannot handle the increased flow and discharge raw sewage through overflow points or "outfalls" into the Anacostia River, Potomac River, Tidal Basin and Rock Creek. The District government admits that millions of gallons of raw or untreated sewage foul D.C. waters in this way nearly every time it rains.

Studies performed for the District demonstrate that the Anacostia River receives the lion's share of CSO pollution. This problem is aggravated by the fact that the Anacostia River is a slow-moving, tidal river. Thus, the sewage deposited in the Anacostia River remains longer and is more harmful than on the Potomac River (which has a greater volume flow) or in Rock Creek (which travels faster and thus flushes rapidly).

The sewage-fouled waters of the Anacostia River threaten public health in the District. Sewage discharged into the Anacostia contains unsafe levels of fecal coliform bacteria. Discharge Monitoring Reports submitted by the D.C. Department of Public Works last year indicate that waste emanating from one large outfall on the Anacostia River routinely contains fecal coliform levels at 100,000/100 ml -- 500 times the maximum safe level for swimming and

100 times the maximum safe level for incidental wading. A recent water quality assessment of the lower tidal Anacostia River submitted to the EPA confirmed the threat posed to recreational users of the Anacostia; ninety-six percent of all random samples for fecal coliform violated the swimming standard, and half were in violation for secondary contact recreation. Additionally, one-sixth of the readings for dissolved oxygen showed the river unable to support aquatic life. Similar measures were recorded for the upper Anacostia River.

In addition to bacterial pollution emanating from the District's sewer system, the Anacostia River contains toxic concentrations of chemicals such as chlordane, polychlorinated biphenyls (PCBs), and heavy metals like cadmium, mercury and lead, which also threaten public health. The chlordane and PCBs in the Anacostia River enter the food chain and are absorbed by bottom-feeding fish such as eel, carp and channel catfish. In response to this problem, the D.C. Commissioner of Public Health last year issued a public health advisory warning D.C. citizens not to eat these types of fish taken from the Anacostia River, and to limit consumption of other fish from these waters. The public health advisory acknowledges that "combined sewage overflow outfalls" contribute to the pollution contaminating the fish.

Despite the urgency of the problem, the District government has failed to address CSO pollution. Initial efforts in the 1980's by the District government to study the CSO problem culminated in a series of federally funded construction projects, including the Northeast Boundary Swirl Facility -- the "swirl concentrator," which was designed to treat CSO discharges from a large CSO outfall near RFK Stadium on the Anacostia. These projects were supposed to dramatically reduce the CSO discharges to the Anacostia; however, the projects instead have dramatically failed. Recent studies by the District concluded that original approximations of the CSO volume were underestimated by 40 to 50 percent. Conversely, the efficiency of the "swirl concentrator" was overestimated. Thus, in the wake of the only significant capital improvement

project to address the CSO problem, District officials admit that an estimated 1.2 billion gallons of CSO discharges still enter the waters of the District of Columbia every year.

In recent years, the District government has largely ignored the CSO problem. From 1989 to 1994, over $32 million dollars in federal wastewater construction grant funds were spent by the District (specifically by the DPW) for modifications to the Blue Plains plant to improve the effluent to the Potomac River. During that same period, only $150,000 of the same grant funds were spent to address CSOs on the Anacostia. In the past year, no significant CSO abatement projects were undertaken by the DPW. It appears that millions of dollars in federal construction grant funding available to the District for such projects remained unspent by the DPW and, thus, were diverted to other projects at the end of the fiscal year.

One explanation for the DPW's lack of interest in spending federal grant funds on the CSO problem appears to be the agency's bureaucratic goal of spending federal money in a manner which will keep water utility rates low and thus reduce the pressure to seek unpopular rate increases. The District, unlike other cities, does not have to compete for EPA wastewater construction grant funding and thus does not have to worry about losing grant money to competing environmental projects. This, according to District officials, has allowed the DPW to approach EPA grant money as a revenue source to help reduce operating costs at Blue Plains so as to keep water utility rates low. In short, the disparity between $32 million spent on Blue Plains, and $150,000 spent on CSOs, indicates that DPW chooses to spend grant money on projects that will reduce expenditures from its appropriated budget and utility receipts. From this "bureaucratic perspective," it is clear that CSO improvements, even if made with federal funds, do not financially benefit the District and are thus ignored by DPW.

As with the spending of federal grants, recent actions by the DPW with respect to its own financial resources have contributed to the threat of CSO pollution. As I am sure this

Written Testimony of
Robert E. Boone
The Anacostia Watershed Society

Subcommittee is aware, the DPW has an "enterprise fund" which is generated from user fees charged to the various jurisdictions serviced by Blue Plains and by District appropriations. This fund, which is intended to be used only for the operation and maintenance of the District's wastewater treatment system, was the subject of recent notoriety when an audit disclosed that the Kelly administration had siphoned off over $80 million dollars to help the City cover other unrelated expenses. As a result, current maintenance improvements to the District's wastewater system which would help prevent CSO pollution are not being accomplished due to lack of available funds.

For example, the DPW recently entered a contract to repair and/or replace large pumps which transfer sanitary and combined sewer flows to Blue Plains. If these pumps are working efficiently, more combined sewer flow can be transferred to Blue Plains for treatment. If these pumps are inefficient, or worse inoperative, the level of CSO pollution in the District waters can greatly increase. The District has failed to pay over $160,000 owed to contractors on this project and, as a result, contractors are currently withholding replacement parts and repairs. I was informed by one contractor that as a result of the dispute some of the District's back-up pumps, those intended to function in case a primary pump fails, are inoperative. If a primary pump fails, particularly during the heavy precipitation this winter, tens of millions of gallons of raw sewage could easily pour into District waters. This critical situation is the direct result of financial irresponsibility on the part of the District in managing the "enterprise fund."

Let me conclude with a description of our greatest concern regarding CSO pollution and the future of water quality on the Anacostia River. The greatest concern for members of the Anacostia Watershed Society is not simply the District's financial irresponsibility; rather, it is the complete lack of commitment on the part of District officials to attain and maintain established

water quality standards for the Anacostia River. The words and deeds of officials at the DPW communicate clearly the message that the agency simply does not care about Anacostia River.

The DPW's contempt for the Anacostia River was most recently illustrated during negotiations with the EPA regarding the CSO problem. In 1994, the EPA attempted to address the CSO problem with the District by proposing amendments to Blue Plains' discharge permit which would have forced the District to take specific action to abate CSOs in "sensitive areas," such as the Anacostia River. On November 10, 1994, Ferial A. Bishop, former Administrator of the D.C. Department of Consumer and Regulatory Affairs (DCRA), responded enthusiastically to EPA's proposed amendment and even recommended that "Restoration of the Anacostia River" become an expressed term of the Blue Plains discharge permit.

The DPW has aggressively attacked the permit amendment and expressly rejected the Anacostia-friendly language proposed by its sister agency, the DCRA. On July 27, 1995, the EPA issued an administrative order to force the DPW to implement minimum controls for CSO abatement. The DPW nevertheless continued to challenge the permit amendment by expending District funds to retain a private counsel to file a challenge to the CSO-related amendments to the discharge permit. On August 28, 1995, the DPW filed a seventeen-page "Request for Evidentiary Hearing," which contested the validity of the CSO abatement provisions in the permit amendment and specifically rejects EPA's (and DCRA's) assertion that the Anacostia River should be considered a "sensitive area." Minutes from a September 29, 1995 meeting between DPW, DCRA and EPA finally disclosed DPW's true position regarding the water quality of the Anacostia River. Len Benson, a DPW official, warned that the "designated use of fishable and swimable [for the Anacostia River] is not appropriate and DPW plans to conduct a study and it may prove that it is not possible to achieve."

Written Testimony of
Robert E. Boone
The Anacostia Watershed Society

The fact that the DPW is willing and able to spend a significant amount of scarce District money on private attorneys and consultants to fight having to effectively address the problems of CSOs and poor water quality on the Anacostia River is truly disheartening. As you may expect, I spend many hours canoeing on the Anacostia River. When I am on the river, I am proud of what the Anacostia Watershed Society, and other concerned groups and citizens, have accomplished. Yet, when I am on the river I am also constantly reminded that until the CSO problem is addressed the Anacostia River will continue to die. I firmly believe that the District's CSO problem will never be addressed if the current policies and financial practices of the DPW are allowed to continue. It is my sincere desire, and the desire of the Anacostia Watershed Society, that this Subcommittee take whatever action is necessary to ensure that the District's wastewater management system is operated in a manner which effectively addresses the CSO problem and thus truly benefits the people and environment of the District of Columbia.

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FOR IMMEDIATE RELEASE **CONTACT: DAWN HAMILTON**
DECEMBER 18, 1995 **202-543-1360**

AOC URGES EPA TO HOLD PUBLIC HEARINGS FOR D.C. RESIDENTS ABOUT DRINKING WATER VIOLATIONS

American Oceans Campaign (AOC), a national environmental organization working to protect ocean and coastal resources such as estuaries, and an active partner in the Campaign for Safe & Affordable Drinking Water, joined with other national and local groups today to urge the Environmental Protection Agency to hold public hearings on the operation and maintenance of the Washington, D.C water system. AOC expressed concern that continuing violations of the Safe Drinking Water Act may jeopardize public health, especially endangering people with vulnerable immune systems. AOC is proud to join the D.C. Water C.O.P s and calls upon EPA to give D.C. residents a chance to hold their government accountable.

AOC acknowledges the District's fiscal crisis, but questions the wisdom of transferring revenue from a water and sewer maintenance fund (paid for by residents' water bills) to general revenue. The intent of the program was to maintain the integrity of the city's drinking water system, which also serves parts of Northern Virginia. "Why do people get billed for their water each month, if the money does not go where it is supposed to?," questioned AOC spokesperson Dawn Hamilton, a resident of Capitol Hill.

AOC believes the D C. problem illustrates the danger of relaxing the federal role in providing safe drinking water to citizens. "EPA must maintain sufficient enforcement authority to oversee municipalities that fail to provide this essential service to taxpayers," said Hamilton. The EPA conducted a federal audit several months ago, and the city still has not corrected problems with the drinking water system. "Here in D C. we see that the money from ratepayers was there to fix the problems, yet it was siphoned off to meet other needs," Hamilton continued. AOC is concerned that without federal oversight, other financially strapped cities may be tempted to do the same and forego drinking water maintenance until faced with a crisis.

Ms. Hamilton represents AOC on the Steering Committee for the Campaign for Safe & Affordable Drinking Water, an alliance of over 300 groups nationwide.

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A non profit organization dedicated to saving America's oceans

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For Immediate Release
December 18, 1995

Contact: Troy Petenbrink
202/898-0414 x121
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NAPWA

NATIONAL ASSOCIATION OF PEOPLE WITH AIDS

STATEMENT ON NEED FOR PUBLIC HEARINGS ON DC WATER SAFETY

Washington, DC – The National Association of People with AIDS (NAPWA) continues to be concerned about the lack of information regarding the safety of the water in the District of Columbia. The citizens of the District have a right to know about violations and continuing problems with their drinking water supply. For who are immune compromised; people living with HIV, on chemotherapy, the frail elderly or newborns, contaminated water in the District is a life or death issue.

Just over a month ago, NAPWA along with Whitman-Walker Clinic issued an alert for people with compromised immune systems to boil their water or drink alternative sources of water due to the boil water alert in Southwest DC, and continued concerns from the Environment Protection Agency (EPA) about the health threat posed by District tap water. These concerns have not been addressed by the District government. EPA sponsored public hearings are the only means of beginning an open dialogue about the endemic problems in the DC water supply.

Without EPA hearings, people who are immune compromised will have their quality of life further eroded, by having to boil their water, or buy a safe alternative. Unfortunately, many of the people most at risk for chronic illness and death from tap water are those least able to afford bottled water or filters.

NAPWA will continue to advocate on behalf of people with AIDS and will demand that appropriate procedures are enacted to protect our vulnerable citizens. Drinking water contamination is a nation wide concern for people with compromised immune systems. NAPWA calls on the District, and Metropolitan Council of Governments to become models for the rest of the nation on how to come to terms with this life-threatening issue.

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FAIRFAX COUNTY WATER AUTHORITY
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MERRIFIELD, VIRGINIA 22116-0815

APR 1 1996

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March 26, 1996

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FACSIMILE (703) 698-1759

The Honorable Eleanor Holmes Norton
United States House of Representatives
Longworth House Office Building, 1415
Washington, D.C. 20515

Dear Congresswoman Norton:

In your prepared remarks on February 23, 1996, at a hearing of the Subcommittee on the District of Columbia concerning water and sewer systems in the District, the following paragraph appears:

> It bears mentioning that a jurisdiction that is not an affected party in this matter nor a customer of the Aqueduct, the Fairfax County Water Authority, has indicated a desire to obtain the Aqueduct without compensation to the present customers, who have invested millions of dollars in capital improvements over many years. The goal of the Fairfax Authority would be to expand its capacity to meet its own growth needs and to perform the services for the three customer jurisdictions now performed by the Corps. The uniqueness of the Fairfax Authority proposal does not stop there. The Fairfax County Water Authority has proposed, apparently with a straight jurisdictional face, that the three customers of the Aqueduct not be permitted representation on a board that would have sole authority over their drinking water supply. In negotiating parlance, this proposal would be described as a non-starter. More seriously, it violates the standard of bipartisan and regional cooperation that at least the chairman and I have established on this subcommittee. I know that both he and I would want the collegiality of the subcommittee to also be reflected in how the jurisdictions resolve this issue. In any case, regional imperialism by one jurisdiction should be rejected by all in the quest for a solution.

We did not have the opportunity to discuss this with you prior to your statement, but we have met with Mr. Larry King on one occasion and with Mr. King and Mr. Michael Rogers on another. One meeting called by Mayor Barry was canceled immediately after it was called and has not been rescheduled. We have offered to meet with District of Columbia representatives on a number of occasions, and we would be pleased to meet privately with you.

It is not our intention to engage in public exchanges. However, we would like to comment privately to you about some aspects of your statement. We are sending a copy also to Congressman Davis since he is referred to in your statement.

The Authority is not a "jurisdiction" in the usual sense. While its governing body is appointed for staggered terms by the Fairfax County Board of Supervisors, it operates its water system independently of the County in terms of rate setting, budgeting, and capital funding. The Authority does not engage in politics; it simply produces and sells water.

The Authority has not "indicated a desire to obtain the Aqueduct." The Authority did not initiate any activity in this regard. It simply responded to a request to consider taking the Aqueduct's facilities from the Army, which owns them and wishes to dispose of them.

Acquiring the Aqueduct's facilities, which are in need of major renovation, and its responsibilities would be a very large undertaking by the Authority. In order to determine whether it would consider accepting these facilities and the concomitant responsibilities, the Authority committed funds of $300,000 and commissioned a study by Greeley & Hansen, a nationally recognized engineering firm. Greeley's study shows a combination of the systems, properly funded and managed, produces a more reliable water system and can save money for all water users in the D.C.-Virginia area. Based on these conclusions, the Authority decided to consider the matter further.

By no means has the Authority yet decided whether it should undertake this project, which is fraught with difficulties because of the improvements required and the District's financial condition and which entails very serious responsibilities. However, because of the possible regional benefits, the Authority is willing to continue considering the project in dialogue with the present wholesale customers, the Army and Congress.

Under the circumstances, our governing body does not feel that it is accurate or constructive to refer to the Authority's possible interest in this project as "regional imperialism."

First: The Authority has no desire to obtain any new wholesale customers who do not want to be its customers. Any new arrangement would require mutually agreeable, long-term contracts.

The District of Columbia is already a willing wholesale customer of the Authority. We furnish treated water to the Lorton Reformatory and have had a good working relationship with the District. During the District's financial problems, during which bills to the Authority have at times gone unpaid for long periods of time, the Authority has not complained to the press or threatened to cut off the water supply to Lorton. We continue to work quietly and responsibly with the District during its period of financial difficulties.

The Authority presently has many other public and private wholesale customers, including the federal government, other authorities, neighboring jurisdictions and a major private water company. We have excellent relationships with all of these customers.

Second: History belies any suggestion that the Authority is engaged in "regional imperialism." The Authority has long been in the forefront of regional cooperation in the best interests of providing an adequate supply of potable water for everyone in the region.

The Authority is an original member party of the Potomac River Low Flow Allocation Agreement, signed January 11, 1978, along with the District of Columbia, the United States of America, the States of Virginia and Maryland and the Washington Suburban Sanitary Commission. This agreement will allocate water in the Potomac River in times of low flow and the Authority is proud to have played a leading role in its development.

Subsequently, in 1982 the Authority signed a number of other agreements with the District of Columbia and other bodies to assure that water supply would be coordinated and shared fairly throughout the region. Development of these agreements in which the Authority was a leader, is a model of regional cooperation which stands in stark contrast to the disputes over water which have raged in other places across the country. The Authority is proud of its role in regional cooperation

The Authority has stated that any relationship that it establishes with new wholesale customers should be consistent with the contractual agreements with its existing wholesale customers. The present wholesale customers do not have voting representation on the Authority's governing board. However, the largest customers have appointed non-voting representatives who attend every meeting and express their views. The Authority can not under Virginia law add voting representatives to its governing board from wholesale customers, and it does not desire to do so.

The Authority has spent a significant amount of resources in the spirit of regional cooperation and stands ready to discuss the future of the Aqueduct with the District and the other wholesale customers.

Sincerely,

Fred C. Morin

Fred C. Morin
Chairman

WAD\NORTON.LTR\FCM:lac

cc: The Honorable Thomas M. Davis

COUNCIL OF THE DISTRICT OF COLUMBIA
WASHINGTON, D.C. 20004

March 19, 1996

Representative Thomas M. Davis, Chairman
Subcommittee on the District of Columbia
House Committee on Government Reform and Oversight
415 Canon Office Building
Washington, D.C. 20515

Re: oversight hearing on the District of Columbia Financial Responsibility and Management Assistance Authority Act of 1995

Dear Congressman Davis:

I attended your hearing and listened with interest to both the comments made by those who testified and those from Congress who asked questions. I am writing to address some concerns which I believe should be taken into account regarding the possibility of structural changes to the Authority Act rather than informal, albeit important, working arrangements. I am writing as well about federal action regarding retirement of the accumulating deficit.

STRUCTUAL IMPROVEMENT OF THE DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE AUTHORITY BOARD

1. Representation of the "Rescue" entity on the board: the Federal government in this instance

In my view, the Authority Act should be strengthened to provide for features in common to control board setups in other cities which have had to go through this process. First, in all instances that I know of, the entity which is ultimately responsible for financing a multi-year plan to pay out a deficit (while at the same time exacting changes from the city in its management and expenditures) is represented directly on the board. In other words, there is state representation on all these boards. Since the federal government must substitute for the state in the case of the District, then it would follow that it should be represented directly on the board. I believe this would make a major difference in securing agreement in Congress on decisions made by the Authority and would assist the city in better dealing with its options in a time of fiscal

crisis.

2. Representation of the District of Columbia government's executive or his financial representative on the board

Secondly, the head of the city--Mayors--are either represented or their budget director (a person directly responsible to the Mayor) is a participating member, either in a voting capacity or in an ex-officio, non-voting capacity. Mr. Williams' function, albeit important, is different from that of a chief financial officer who is knowledgeable about the municipal budget and at the same time reflects the Mayor's views and priorities. The board would be strengthened if it had such representation.

The fact that the Mayor does not sit on the board gives our Mayor the luxury of seeming to be outside and makes him able to stand aloof from decisions of the Board. Witness the Mayor's role in the 10% recision and the U.D.C. protests. Additionally, I believe that when the Mayor is left on the outside, the Board will always be suspicious of numbers generated by the Mayor and his staff. This situation has required the Authority to hire expensive staff to duplicate the Mayor's budget machinery, including finance and audit positions, because of distrust of his motives and/or figures. There would be more cooperation, fewer errors and misunderstandings and misinterpretation of policies, and less conflict if the city's Mayor were a member of the Authority.

3. Other cities

To illustrate the above points, in Philadelphia, the Intergovernmental Cooperation Authority (PICA) was set up with 7 members: 5 non-governmental private citizens plus the Finance Director of the City of Philadelphia and the Secretary of the Budget of the Commonwealth of Pennsylvania, both of whom serve as ex-officio, non-voting members. New York City's Emergency Financial Control board (EFCB), a 10 member board, includes the Governor (Chairman), the Mayor, Comptroller of the State, Comptroller of the City, 3 private citizens and 3 labor organization members. Cleveland's Financial Planning and Supervision Commission included both local and state representatives.

FINANCIAL ASSISTANCE

Crucial to the success of these control board ventures has been the infusion of loans and bonds at the outset or close to the outset to be paid out over a period of time to cover the deficit while work proceeds to bring costs and revenues into balance. Certainly Washington, D.C., the nation's capital, is as deserving of such assistance from the federal government as New York City was. It will be remembered that New York City received a $3.6 billion loan from Congress, with interest to be paid out over 6 years. State bonding has been the primary tool in dealing with deficit in the affected cities, and Mr. Walsh has stated that the Congress is, in effect, the District's state. In these other cities, it was recognized as an obvious fact that a deficit would grow unless

action were taken quickly to begin paying it off while other operational and cost changes required by the funding authorities, the control boards and the city officials themselves began to take effect over a period of several or more years.

While I regret that the financial aid afforded Mayor Dixon during her tenure was not accompanied by a "big stick" to require major changes in budgeting for the District, that is not the case now. You set up the "big stick" in 1995. The frustration I and others feel is that the mounting deficit in the District could be avoided altogether if we had the kind of support from the federal government which has been given other cities by their states, and in one instance, by the federal government itself. In fact, there in all probability would not be a deficit--or least a large one--if the federal government had paid its share of the pension liability. The pension requirements are an unfunded mandate, put together by Congress. For Fiscal Year 96, the pension payments for policemen, firemen, and judges were budgeted at $335,500,000, a substantial increase over FY95. The pension liability has risen to some $4.2 billion dollars. I respectfully request that you put forward legislation to take care of this problem as part of the long-term solution to generate additional revenue through cost avoidance.

Thank you for your interest in reviewing the functioning of the Authority.

Sincerely,

Frank Smith, Jr.
Councilmember, Ward 1

APR - 1 1996

University of the District of Columbia

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4200 Connecticut Avenue, N.W.
Washington, D.C. 20008

Telephone (202) 274-5100

March 22, 1996

The Honorable Thomas M. Davis, III
U.S. House of Representatives
415 Cannon House Office Building
Washington, D.C. 20515

Dear Representative Davis:

During your Committee hearing with the Authority on March 19, 1996 you asked if there was any credence to UDC's claim that the recommended decrease in District appropriation to the University would cause UDC to have to cease operations. In his response, Dr. Brimmer indicated that the independent chief financial officer had proposed an additional 10% reduction in our appropriation because UDC had overspent its FY '95 budget.

Mr. Davis, UDC has never in its entire history overspent its approved budget and did not do so in FY '95 as claimed by the CFO. For reasons still unknown to us, unbudgeted non-cash contingencies are expensed against the University's non-appropriated and unrestricted fund balance and have been publicly represented by District financial officials as budgeted cash obligations incurred by the University in a given fiscal year. The error obviously results from confusing the financial entries in the District's Comprehensive Annual Financial Report (CAFR) with the fiscal year operating budget report. This confusing of the two reports and public misstatements by District finance officials have plagued the University for several years.

In the present instance, the above distinction is very critical. The CFO's office made it very clear that the proposed 10% withholding of gross revenues would be based on historical patterns of **overspending. That office misinterpreted the CAFR $9,304,000 decrease in UDC's fund balance as a $9.304 overspending of FY '95 budget appropriation.**

For FY '95 the plain and documented audited facts are:

1. Memorandum of February 6, 1996 from DC Controller Robert N. Reid to Agency Directors and Controllers entitled Fiscal Year 1995 Appropriated Budget Analysis of the CAFR General Fund documents the fact that UDC **did not overspend** its 1995 appropriated budget. A copy of this report was sent to the CFO.

2. The 1995 CAFR reconciliation of the government's financial entries with the University's National Association of College and University Business Officers (NACUBO) formatted entries identify a $9.34 million **decrease** in the University's **fund balance**. The decrease in the fund balance is being misrepresented as deficit spending in the appropriated operating budget. The fund balance, needless to say, includes such non-cash entries such as plant fund depreciation allowances, write-offs of accounts receivable determined to be uncollectible, deferred revenue changes and/or adjustments, etc., in addition to non-budgeted cash.

The threat to the continued operations of the University through the end of FY '96 (which includes the mid-August '96 beginning of our '96-'97 academic year) is, indeed, real. That threat derives partly from the District's now acknowledged miscalculation (sustained by the CFO's office and forwarded to Congress) of the University's obligated '96 FTE funding base by 159 FTE positions. Except for the request made by the City Administrator to the Control Board staff to adjust UDC's funding base in recognition of the error, all of our efforts to have the acknowledged error corrected and an adjustment made have been unsuccessful. We shall continue our efforts with the CFO and with the Authority. The threat also derives from the cumulative and continued reduction of our appropriation in mid academic year after contractual academic obligations have been fixed. It was the threat of a further 10% reduction of appropriation on the basis of the misrepresented **decrease** in the fund balance that led to the student demonstration.

Having reduced expenditures and absorbed continuing costs in the amount of $33,663,000 (43.8% reduction from FY '92 appropriation) since FY '92 through progressive rightsizing, the University has no way of absorbing the CFO's currently recommended FY '96 $7,727,000 reduction in appropriation except through massive furloughing beginning April 1. Such furloughing would bring the University to a halt and also would result in the loss of $27.533 million of non-appropriated revenue generated through University programs.

It is our hope that in the upcoming meetings with the CFO and with the members of the Authority, we shall be able to discuss these matters of higher education financing. Pursuant to the 1990 Rivlin Commission Report, we have prepared a cost/funding formula for discussion and adoption by the District, the Authority and the U.S. Congress to restore fiscal stability and predictability to the University.

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I hope the foregoing has put in perspective the problems we are attempting to address. I am confident that on the basis of an unemotional review of **all** of the audited data regarding the University's financial status, these matters will be resolved.

Thank you for your continued understanding and support of the City in these trying fiscal times.

Sincerely,

Tilden J. LeMelle
President

cc: Andrew F. Brimmer
Marion Barry
Michele Hagans
Carrie Thornhill
The Honorable Eleanor Holmes Norton

Mr. DAVIS. The subcommittee will continue to work with all interested parties in an ongoing effort to resolve the issues raised by this hearing. These proceedings are closed.

[NOTE.—Due to high printing costs, the reports entitled, "Facilities Evaluation, Blue Plains Wastewater Treatment Plant, Washington, D.C." EPA–330/2–95–014, July 1995, and EPA–330/2–96–006, can be found in subcommittee files.]

[Whereupon, at 1:40 p.m., the subcommittee was adjourned.]

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